



Daily Report

East Asia

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Conference on Lifting Iraq 'Blockade' Opens

JN2705070794 Baghdad Republic of Iraq Radio
Network in Arabic 0300 GMT 27 May 94

[Text] An international conference on lifting the unjust blockade on Iraq opened its meetings yesterday in the Malaysian capital, Kuala Lumpur. The conference is organized by governmental figures and organizations under the patronage of Malaysian Prime Minister Mahathir bin Mohamed.

Abdul Ghani bin Othman, the Malaysian minister of youth and sports and representative of the Malaysian prime minister, delivered a speech at the conference. He asserted that there are no longer any justifications for the blockade, noting the need for the international community and the United Nations to work honestly to end the injustice done to Iraq.

The Malaysian prime minister's representative also conveyed the prime minister's greetings to the leadership and patient, steadfast people of Iraq.

Latif Nusayyif Jasim, the chairman of the [Iraqi] Friendship, Peace, and Solidarity Organization, gave a speech in which he said that Iraq was chosen as a target of aggression for many reasons, primarily because it represents the impregnable eastern gate of the Arab nation. He added that Iraq enjoys significant political, economic, and military weight and has a policy that is independent from the Western octopus. This is in addition to the fact that it champions the causes and aspirations of Third World nations, and all other nations that care about their independence and sovereignty.

He added that the reasons cited by the influential states at the Security Council to maintain the unjust blockade against our people are gone. Iraq has fulfilled all its obligations toward these resolutions, particularly Resolution 687, Paragraph 22, which stipulates that Iraq is free to export its oil and have trade and commercial transactions and exchange goods with the world.

Latif Nusayyif Jasim added that the UN Special Commission has corroborated the fact that Iraq has fulfilled its obligations. He added that after Iraq implemented its commitments per Paragraph 22 of Resolution 687 and in view of its cooperation with UN committees, some permanent members of the Security Council are now highlighting the need to lift this inhuman blockade. In addition, there are thousands of governmental and nongovernmental figures and organizations that call for ending the suffering of the people of Iraq as a result of the blockade that has persisted for far too long, since there are no longer any justifications for it.

Minister Urges Lifting of Sanctions

BK2705091694 Kuala Lumpur Voice of Malaysia in
English 0600 GMT 27 May 94

[Text] Malaysia has called on the world community to exert its influence to have economic sanctions against Iraq lifted soon. Minister of Youth and Sports Haji Abdul Ghani Othman said Malaysia feels that the people of Iraq have

suffered enough. Malaysia supports the lifting of economic sanctions currently imposed upon Iraq due to the humanitarian situation which is deteriorating and will endanger the life of its people. He said this in a speech when opening the International Conference Against Economic Sanctions on Iraq in Kuala Lumpur. Haji Abdul Ghani criticized the UN for its incapability, saying that as an international body, the UN was slow and was even seeming to be practicing double standards in responding to the needs of the oppressed.

Conference on East Timor Opens in Philippines

Agenda, Attendees Reported

BK3105111294 Quezon City GMA-7 Radio-Television
Arts Network in Tagalog 0930 GMT 31 May 94

[Excerpts] The controversial Asia-Pacific Conference on East Timor [APCET] pushed through earlier this afternoon at the University of the Philippines-Diliman. Twenty-seven foreign delegates attended the conference in spite of the ban. They marched into Malcolm Hall, chanting Liberate East Timor from Indonesia.

This conference has been a big issue since Malacanang banned the attendance of known East Timor supporters and after a judge issued a temporary restraining order prohibiting the conference from opening.

The Supreme Court, however, decided in favor of the organizers of the conference. Although APCET Chairman Renato Constantino Jr. was happy about the Supreme Court decision, he is saddened by the continued ban on foreign delegates.

[Begin Constantino recording in progress, in English] ...to risk losing it, to keep it. The crisis was caused by the arrogant acts of the Indonesian Government and its provincial directorate in village Malacanang.

We have asserted our rights, the Supreme Court has upheld them. But let us not forget that the irrational presidential ban on foreign participants remain. [end recording]

Within four days, the conference will tackle Indonesia's alleged violation of East Timor's human rights, as thousands have died since Indonesian troops annexed East Timor. [passage omitted]

Meanwhile, Malacanang said the ban on 27 foreigners will continue.

National Security adviser Jose Almonte said they will closely monitor the foreigners who have already entered the country, especially their statements during the conference. If they make statements detrimental to the national interest, they may be requested to leave the country, if not forbidden to attend the conference.

Earlier today, the Immigration Bureau canceled the visas of 10 foreigners. They were Max Lane, Pedro Pinto Leit, Saslia Koonumberg, Robert Smith, Chopra Shambu, Peter Wesley Smith, Luisa Ferreira, Sharon Scharse, Charles Scheiner, and Marcelo Ferreira. Immigration Associate Commissioner Manuel Roxas said the subject foreigners will be arrested and deported. [passage omitted]

Mrs. Mitterrand Banned

*BK2905121594 Hong Kong AFP in English 1145 GMT
29 May 94*

[Text] MANILA, May 29 (AFP) - French First Lady Danielle Mitterrand is named on a list of foreigners banned by the Philippines from entering the country to attend a conference on human rights in East Timor.

Officials are under orders to refuse entry to anyone of the 36 people named on the list, a copy of which was seen here.

Mitterrand had accepted an invitation to attend the Asia Pacific Conference on East Timor (APCET) to be held from Tuesday to Friday, but later said she would not be coming, although no reason was given for the change of plan.

Immigration officials at the Manila airport on Saturday expelled Irish Nobel peace prize winner Mairead Maguire, 50, and a companion. They arrived from Europe in defiance of the ban.

A court on Friday issued an order banning the private conference, but leftist organizers vowed to defy the ruling and risk arrest.

APCET spokesman Joel Saracho said Sunday that at least 12 foreign delegates are in Manila.

The 12 include representatives from the United States, Australia and Canada, he said, but did not say when they entered the country.

Immigration authorities at the Manila airport on Sunday decided to expel American university professor Susan Castillo, who was suspected to be one of the foreign delegates attending the conference.

Castillo, 46, who teaches American literature at the University of Porto in Portugal and translates books on East Timor from Portuguese to English, was aboard a Lufthansa airlines flight from Frankfurt and said she was a tourist.

Airport immigration chief Felino Quirante said Castillo was expected to be put back on the same plane back to Frankfurt late Sunday.

The woman had earlier said she was only a tourist but later admitted during questioning she planned to attend the conference.

Also on Sunday, University of the Philippines officials banned conference organizers from using the campus and its facilities for the meeting.

The announcement was released through the presidential palace.

Saracho said more than 60 other foreign delegates are expected before the conference starts on the campus of the state-run but autonomous University of the Philippines.

Saracho said government agents may have overlooked the 12 others since they were not on the list. Officials said the list could be expanded anytime.

The 12 are "prominent in the sense that they have been doing East Timor advocacy for a long time," Saracho told AFP.

President Fidel Ramos, whose move to ban foreign participants has been widely criticized here, has said that all "non-Filipino" delegates, except journalists and exchange students, would be prevented from attending.

Critics also noted that the judge who banned the conference is a former military officer whom the West Point-trained Ramos had appointed. The little known group which had asked the court to ban the meeting is being led by a Ramos ally.

The East Timor conference has angered Indonesia, which accused Manila of allowing itself to be used by the delegates to subvert Jakarta's territorial integrity. It has asked Ramos to stop the seminar.

East Timor is a former Portuguese colony which Indonesian troops occupied in 1975 and annexed the following year. International human rights groups have accused Jakarta of alleged rampant human rights abuses in the territory.

Ramos has said he was powerless under a democratic constitution to ban the meeting, barred foreign participants after Jakarta threatened retaliatory measures such as stopping to host peace talks between Manila and Moslem secessionist rebels in the south and cancelling investments.

Political commentators meanwhile said that while the court ban has defused the diplomatic crisis between Manila and Jakarta, it was a "foreign policy disaster" for the Philippines.

"The resolution of the conflict does not erase the fact that the crisis has left Philippine diplomacy in shambles," wrote Amando Doronila in the Philippine Daily Inquirer.

He said it was Manila's "worst humiliation and degradation at the hands of another country since the Japanese occupation" during World War II.

"Mr. Marcos is no longer around," said former senator Rene Saguisag, referring to ousted Philippine dictator Ferdinand Marcos' repressive 20-year rule.

Court Bans Conference

*BK2705143494 Quezon City GMA-7 Radio-Television
Arts Network in Tagalog 0930 GMT 27 May 94*

[Text] A court has banned the East Timor conference. Earlier, Judge Marciano Bacalla of Branch 216 of Quezon City Regional Trial Court issued a temporary restraining order [TRO].

Under Judge Bacalla's directive, Renato Constantino Jr., Augusto Miclat and their colleagues have been barred from conducting the East Timor conference.

Judge Bacalla has also ordered University of the Philippines [UP] President Emilio Javier and UP Law Dean Pacifico Agabin not to allow UP and its facilities to be used for the conference.

The court's restraining order will take effect on 30 May and will last until 4 June.

Meanwhile, Renato Constantino Jr., in reaction to the restraining order said their lawyers are studying the order of

Judge Bacalla. Constantino's group is organizing the conference. UP President Emilio Javier has declined comment. It will be recalled that Javier had denied Malacanang's [presidential office] request not to hold the conference at UP.

Meanwhile, Defense Secretary Renato De Villa said the conference cannot be held anywhere in the country.

[Begin recording in English] [De Villa] It says here very clearly, whether the venue be within or outside of the premises of the University of the Philippines. So, they cannot hold it anywhere until this TRO is lifted.

[Correspondent] Sir, don't you think this will create more trouble?

[De Villa] I cannot say because we don't know what's going to happen. [end recording]

Court Allows Holding of Conference

BK3105110594 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 31 May 94

[Text] The Asia-Pacific Conference on East Timor [APCET] will go ahead. The Supreme Court has removed the legal obstacles to the holding of the conference after nullifying the order earlier issued by Judge Marciano Bacalla of the Quezon City Regional Trial Court which prevents the holding of the conference.

The Supreme Court ordered Bacalla to desist from implementing the restraining order which prevented the organizers of APCET from holding the conference inside the University of the Philippines [UP].

A few minutes after hearing the Supreme Court's decision, the APCET organizers said the conference will go ahead, starting at 0700.

Meanwhile, Judge Bacalla said that he will abide by the Supreme Court decision annulling his order.

The Supreme Court, however, supports Ramos' order banning foreigners attending the conference.

In the meantime, APCET organizers have already started the registration of delegates to the conference, scheduled to start at 0700 at the Malcolm Hall of UP-Diliman.

As of the time of publication, 20 foreign delegates have registered. The organizers explained that it is still not final as to where the conference will be held. Aside from UP-Diliman, other venues are being considered like the San Jose Seminary and UP-Manila.

According to a report, 40 more foreign delegates are expected to arrive today. Among the expected delegates is a Japanese who is a member of the Diet, identified as Assemblyman (Gona). Gona is scheduled to arrive tonight.

Immigration personnel are still on alert at the Ninoy Aquino International Airport [NAIA] to implement the ban on foreign delegates attending the conference.

In this regard, two delegates are currently being investigated at the immigration office in NAIA. Those being questioned are Timorese Zacarias Dakosta of the Timorese Democratic Union and Harold Nuncio, who holds an Australian passport.

Ramos on Irish Delegates' Expulsion

BK3005100494 Quezon City Radio Filipinas in English 0230 GMT 30 May 94

[Text] President Ramos says the expulsion of two Irish nationals who arrived Saturday night to attend the East Timor conference was compelled by the national interest. The president stressed that the government is pursuing a peace process to heal the divisions among the Filipino people. Nobel Peace Prize awardee Mairead Corrigan and Tom (Highland) were deported immediately after they arrived the NAIA [Ninoy Aquino International Airport] last evening. Corrigan is an activist like (Highland).

University of the Philippines [UP] Chancellor Roger Posadas has instructed university officials to disallow organizers and participants of the Asia-Pacific Conference on the East Timor or APCET from using UP's premises, grounds, and facilities. Posadas directive contained in Memorandum No. 94-100 dated 27 May was in compliance with the restraining order issued by the Quezon City Regional Trial Court temporarily preventing the conduct of APCET within and outside the university. The chancellor's memorandum was addressed to all university deans, directors, department chairs, heads of offices and hostel managers. The university officials concerned are now preparing the formal position that will be presented to the court on this case at the appropriate time.

Japan**Reports on U.S.-Japan Framework Talks Continue****No 'Formal' Deadline Set**

*OW2705132794 Tokyo KYODO in English 1314 GMT
27 May 94*

[Text] Tokyo, May 27 KYODO—Foreign Minister Koji Kakizawa said Friday [27 May] that no formal deadline has been fixed for conclusion of "framework" trade negotiations with the United States, set for resumption after a three-month deadlock.

Kakizawa, responding to questions before the House of Representatives Budget Committee, said it is nevertheless desirable that the talks be brought to an early conclusion.

The foreign minister said he confirmed the absence of a deadline in a recent telephone conversation with U.S. Trade Representative Mickey Kantor.

But Kantor has reportedly suggested bilateral talks on government procurement be wound up by the end of June, while negotiations in other sectors should be concluded before the end of September, when the U.S. administration is scheduled to decide whether to invoke the Super 301 trade provision that permits sanctions against countries allegedly practicing unfair trade.

Prime Minister Tsutomu Hata told the committee that Japan would take recourse to arbitration in the framework of the General Agreement on Tariffs and Trade (GATT) if Washington opts for sanctions.

Talks To Begin in Tokyo

*OW3005112094 Tokyo KYODO in English 1059 GMT
30 May 94*

[Text] Tokyo, May 30 KYODO—Japan and the United States will hold working group meetings in Tokyo from next week to discuss government procurement areas of the bilateral trade "framework" talks, a top Foreign Ministry official said Monday.

The working group meeting on telecommunications equipment will be held June 3-4 and the meeting on medical equipment will be held June 7-8 in Tokyo, the official said.

Japan and the U.S. agreed last week to resume the trade framework talks after a three-month deadlock. The trade negotiations have been stalled since February due to differences over the definition of "objective criteria." Japan has strongly refused U.S. demands to set numerical targets to measure progress in the opening of the Japanese market.

Prime Minister Comments

*OW3105131794 Tokyo KYODO in English 1258 GMT
31 May 94*

[Text] Tokyo, May 31 KYODO—Prime Minister Tsutomu Hata predicted Tuesday [31 May] that trade talks between Japan and the United States will make headway if

the two economic superpowers strive to seek a common basis over the future course of their trade relations.

"I am sure things will move in a favorable direction," the premier said at the Japan National Press Club, referring to the prospects for the bilateral "framework" trade talks to be resumed Wednesday after a three-month stalemate.

Hata, who became premier in April, said he and U.S. President Bill Clinton agree their countries can better understand each other through in-depth talks.

Tokyo and Washington announced last week they have reached a compromise to reopen the protracted trade talks to set up a new framework for bilateral trade.

The trade negotiations, which are aimed at widening U.S. access to Japanese markets, ruptured in February after Tokyo rejected U.S. proposals to use numerical targets in gauging progress in Japanese imports.

In resuming the framework talks, the two countries agreed to use two or more "objective criteria" in measuring progress in opening Japanese markets and paring down Japan's massive trade surplus.

On North Korea's suspected nuclear arms development program, the 58-year-old Hata said Tokyo is not sure whether the communist state already possesses nuclear warheads.

He also expressed hope Pyongyang will "truly open up its heart to the international community" and dispel allegations that it is developing a nuclear weapons capability.

As Japan's colonial rule over the Korean peninsula caused unbearable suffering and sorrow for the people living in both North and South Korea, the premier said, Tokyo is ready to cooperate with Pyongyang in promoting public welfare in the country.

If North Korea keeps on refusing full international checks at its nuclear sites, it will result in a catastrophic situation, he warned.

While saying Japan will act in step with the United Nations in resolving the North Korean nuclear issue, Hata reiterated it will do so within the bounds of the Constitution that bans the use of force in settling international disputes.

Officials on Insurance Talks

*OW3105074894 Tokyo KYODO in English 0712 GMT
31 May 94*

[By Kohei Murayama]

[Text] Tokyo, May 31 KYODO—Japanese trade and finance officials are hoping bilateral insurance talks scheduled for Wednesday [1 June] and Thursday in Tokyo will set the pace for the resumed Japan-U.S. "framework" trade negotiations and an overall easing of the U.S. stance on targets.

Already comments from both sides have paved the way for agreement—at least as far as the insurance sector is concerned.

One senior Japanese Finance Ministry official has said the United States has acknowledged that setting yardsticks to measure Japan's market access is not appropriate.

And a U.S. diplomatic official in Tokyo has named the insurance business in saying problems exist in adopting objective criteria to measure market shares in areas full of regulations, which he distinguished from the free-hand automobile sector.

In fact, negotiators from both sides had suggested insurance talks were approaching consensus before the overall talks hit a snag due to sharp differences on two of the three priority areas—automobile and auto parts, and government procurement of telecommunications and medical equipment.

If their comments hold true and negotiations are wrapped up, the future of the still unclear agreement reached by the two nations last week for reopening bilateral trade talks may become more certain.

The breakthrough during exploratory talks came after a four-day marathon in Washington, with the two sides agreeing to set both quantitative and qualitative benchmarks instead of numerical targets for each of the negotiation sectors.

The framework talks started in July last year under an accord by then Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton in Tokyo with the goal of setting a new framework for the two nations' trade relations.

But they were ruptured in February when then Prime Minister Morihiro Hosokawa and Clinton failed to reach a common ground over their definition of "objective criteria" during a summit in Washington.

The insurance talks will reopen the stalled framework negotiations Wednesday in Tokyo. Talks on other priority areas will follow.

Automobiles and auto parts are scheduled for Thursday and Friday in Washington, and government procurement of telecommunications equipment in Tokyo on Friday and Saturday, and medical equipment in Tokyo next Tuesday and Wednesday.

Japanese Finance Minister Hirohisa Fujii has indicated that Japan will not offer any new commitments on the insurance negotiations, which are in the hands of his ministry.

"We will put our upmost efforts into realizing the voluntary measures" that are included in the March market-opening package, he said in a recent news meeting.

Indeed, the measures encompass the majority of U.S. demands, including deregulation, simpler licensing and adoption of a brokering system.

The remaining key issues are the unclear "keiretsu," mutual stockholding relationships between insurers and sales agents, and a third area such as policies for cancer and nursing care.

The last area appears to hold the clue for the direction of the insurance talks, with the U.S. calling on Japan to keep its restriction on Japanese insurers. As a form of special treatment, Japan only allows foreign insurers to engage in the area.

Japan is expected to lift the ban in about two years, with the insurance council, an advisory panel to the finance minister, now preparing a report on legal revisions. The package to reform insurance-related laws for the first time in 50 years is scheduled for submission to the Diet next year.

The U.S. is asking Japan to wait for five years at least. A U.S. Government source said earlier this week that planned revision in the third area would hamper new entries by foreign insurers.

Meanwhile, Japanese officials are bewildered over the U.S. demand, which they say contradicts deregulatory steps.

On the "keiretsu" practice, Japan is expected to seek support for its compromise of adopting a brokering system.

A ministry negotiator said the government cannot intervene in the "keiretsu" system, which is a private-sector dealing, and noted that such unfair practices toward foreign insurers also prevail in the U.S.

He cited the brokering system that is restricted in many states and the liability reserves some U.S. states oblige foreign insurers to build up.

Indeed, the negotiator said one major dispute has been over Japan's demand for "two-way negotiations" to discuss such unfair practices in the U.S.

Japanese industry leaders said they just do not understand why the insurance business was included in the framework talks.

Toshiomi Uragami, chairman of the Life Insurance Association, said Japan in fact has a trade deficit with the U.S. in the insurance field.

"I haven't heard of any complaints from U.S. insurers already present in Japan, and many of them have been successful here," he said.

In conceding there is a lack of communication, Takashi Onoda, chairman of the Marine and Fire Insurance Association, said his industry plans to set up a forum to exchange views with U.S. industry leaders.

A ministry source said, "all we needed was a bit of U.S. compromise" on numerical targets by splitting the insurance area from other fields.

Minister Opposes Numerical Targets

*OW3105023294 Tokyo KYODO in English 0210 GMT
31 May 94*

[Text] Tokyo, May 31 KYODO—International Trade and Industry Minister Eijiro Hata on Tuesday [31 May] reiterated Japan's opposition to setting "numerical targets" to gauge foreign access to its markets.

"Japan could not swallow any U.S. proposals that would lead to acceptance of numerical trade targets," Hata told a press conference.

Hata was speaking ahead of the resumption Wednesday of sectoral talks on a new bilateral trade framework.

Japan and the United States have agreed to restart the deadlocked trade talks on condition that Washington will not bring up the issue of numerical targets, Hata said.

But "a source of contention" still exists between the two countries, he added.

Recently, U.S. Trade Representative Mickey Kantor said the U.S. will pursue "result-oriented" accords in trade talks with Japan, including seeking a guarantee from the Japanese Government to expand the number of Japanese auto dealers handling U.S.-made models.

Whether or not dealers will sell U.S. automobiles is a matter for the private sector, Hata said. He urged U.S. automakers to work harder to make their products attractive to Japanese consumers.

Panel Dismisses 'Result-Oriented' Trade

OW3105081894 Tokyo KYODO in English 0804 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—A Japanese Government advisory panel on Tuesday [31 May] blasted the "unilateral" or "result-oriented" trade approach of the United States as only adding "an extra layer of confusion and difficulty" to global economic issues.

A subcommittee of the Industrial Structure Council, an advisory organ to the trade minister, made the criticism in the 1994 report that identified and analyzed unfair trade policies and measures of Japan's 10 major trading partners.

The report, the third of its kind, was compiled at a time when Japan-U.S. economic relations have yet to be fully mended under the long-running bickering over the definition of "objective criteria," a set of tools designed to gauge the openness of Japan's markets under the so-called framework trade talks.

The council said analytical standards used in this year's report are in line with internationally accepted World Trade Organization (WTO) rules, which will expand the scope of coverage to include services and intellectual property rights from only trade in goods as under the General Agreement on Tariffs and Trade (GATT).

The report said Japan's trade rules are basically in conformity with the WTO agreement while those of the U.S. deviate from it in that the country pursues "result-based criteria."

"To a large extent, a preoccupation with trade results comes from a tendency to see a direct link between current account or trade imbalances and inadequate market access," the report said.

The report branded the result-oriented U.S. trade approach as managed trade, explaining that the country

resorts to "numerical targets" in order to achieve satisfactory results in market shares or import values for specific American goods.

"We have grave apprehensions about the detrimental impact that such policies would have on the free trade system," the report said.

In a country-by-country survey, the report found problems with U.S. trade policy in 10 of the 12 trade sectors covered.

"It would appear at first glance that the U.S. has made little effort to improve its unfair trade policies and measures," the report said.

The report showed concern about the recent revival of a retaliatory trade clause known as Super 301. "Thinking behind unilateral measures like Super 301 is the idea of the same country serving both as prosecutor and judge," the report said.

U.S. antidumping measures against imports from Japan were described by the report as creating "serious problems."

Of the 43 antidumping duties imposed by the U.S. on Japanese products since 1980, 36 duty orders were still in force as of March this year because of the lack of a "sunset" clause, the report noted.

Regarding areas where unfair practices were dropped in Japan's trade with the U.S., the report cited elimination of requests for voluntary export restraints on machine tools and automobiles.

In trade with the European Union (EU), the report pointed out problems in four of the 12 areas, including abuse of antidumping measures, arbitrary approach in enforcing rules of origin and unfair tariff classification of meca-decks—a vital component of videocassette recorders.

On the other hand, the report appreciated the EU's abolition of discriminatory quantitative restrictions on Japanese exports in March of this year.

The report found five problem areas in Japan's trade with South Korea. Among them are rules of origin policy, standard and certificate systems and an import source diversification system intended to restrict imports from Japan.

Other countries and an area covered by this report are Australia, Singapore, Indonesia, Thailand, Malaysia, Canada and Hong Kong.

This year's report reviewed for the first time the countries' agricultural policies and measures, an area newly agreed on under the recently concluded GATT Uruguay Round of multilateral trade talks.

During the negotiating process of the Uruguay Round, trade positions were very large from countries to countries on farm issues like rice.

The report stressed the need for countries to actively use a new dispute settlement mechanism under the WTO, a multilateral trade body that is expected to replace GATT next January.

WTO rules will have more enforcing power with a judicial mechanism that will no longer allow countries to block the WTO panel's findings against them under the so-called "negative consensus" system.

"Making use of the strengthened dispute settlement procedures is a basic obligation of those who support the multilateral trading system. Japan should be an active user of these procedures when necessary," the report said.

The report assessed several issues involved in accession to GATT by China and Taiwan.

Japan basically supports early GATT membership by China and Taiwan, both among Japan's 10 largest trading partners.

The report noted, "however, we recognize it is important that both must first bring into conformity their trade policies and measures with the WTO agreement."

High tariffs and quantitative import restrictions are among problems to be overcome before their entry to GATT, the report said.

Auto Talks To Begin 2 Jun

OW2705111094 Tokyo KYODO in English 1053 GMT 27 May 94

[Text] Tokyo, May 27 KYODO—Japan will hold working-level talks with the United States in Washington next Thursday to find ways to increase U.S.-made auto and auto parts exports to this country, a Japanese trade ministry official said Friday [27 May].

The meeting is in line with Tuesday's accord between Tokyo and Washington to restart the stalled trade "framework" talks, said an official at the Ministry of International Trade and Industry (MITI) who declined to be named.

The official said the planned talks on auto trade, one of the three priority fields under the framework negotiations, will focus on setting "objective criteria" designed to gauge the openness of Japan's market.

The meeting will then be followed by subcommittee-level consultations expected to be held in Tokyo in the week starting June 5, the MITI official said.

Tokyo will not accept any objective criteria on auto trade that are tantamount to "numerical targets," the official said, apparently reflecting growing concern in Japan over a possible revival of the issue of numerical targets.

Under Tuesday's bilateral accord, the U.S. showed its explicit commitment not to seek any numerical targets in coming sectoral trade talks with Japan. But U.S. Trade Representative Mickey Kantor soon said Washington will pursue "result-oriented" accords in sectoral talks, generating concern over the question of numerical targets among Japanese Government officials, including MITI Chief Eijiro Hata.

In Tuesday's talks, Tokyo and Washington refrained from defining numerical targets in order to get the deadlocked trade talks moving forward.

The MITI official said what the Japanese side considers numerical targets are quantitative pledges by the government regarding future trade performance and trade areas beyond government control.

Talks to establish a new trade framework have been put on hold since February's rupture over the definition of objective criteria.

The MITI official confirmed that Tokyo has accepted the latest U.S. request for including five additional trade areas in the priority fields of government procurement, insurance and trade in auto and auto parts.

Talks on the new areas—financial services, sheet glass, forestry products, intellectual property rights and competition policy—may begin next week, the official said.

Plan To Scrap Glass Tariff Denied

OW3105101694 Tokyo KYODO in English 0959 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—A senior Japanese Trade Ministry official Tuesday [31 May] denied a newspaper report that Japan will scrap tariffs on sheet glass imports.

The report is "totally groundless," the official at the Ministry of International Trade and Industry (MITI) said, speaking on condition of anonymity.

The NIHON KEIZAI SHIMBUN newspaper said in its Tuesday evening edition that MITI will propose to the United States its removal of the tariffs, currently set in a range of 0 to 6.3 percent, sometime in June.

The step is intended to boost Japanese imports of sheet glass, which accounted for only 7.7 percent of the total consumption in Japan in 1993, the daily said.

"MITI has not heard anything about the reported plan," the official said.

Sheet glass is expected to be included in the expanded priority trade sectors under the Japan-U.S. "framework" talks scheduled to resume Wednesday.

Minimum Access to Rice Market Reconfirmed

OW2705140494 Tokyo KYODO in English 1354 GMT 27 May 94

[Text] Tokyo, May 27 KYODO—Japan renewed its pledge Friday [27 May] to provide foreign rice exporters with "minimum access" to its rice market but left open the possibility of importing less rice than required in case of poor harvests abroad.

"The government should import the agreed-upon quantity of rice under normal circumstances, as the government is in a position to import it as a state-controlled import item," Farm Minister Mutsuki Kato told the House of Representatives Budget Committee.

Kato was referring to Japan's agreement last December with General Agreement on Tariffs and Trade (GATT) members obligating it to raise the foreign rice share in the Japanese market to at least 8 percent by the year 2000.

The coalition government has been under opposition pressure to clarify its stance following conflicting statements from government ministers on the interpretations of the GATT accord.

Prime Minister Tsutomu Hata once described the minimum access accord as "something that resembles an obligation," while International Trade and Industry Minister Eijiro Hata depicted it as an "obligation" when he was serving as agriculture minister.

Under the GATT accord, Japan is obligated to import 400,000 tons of foreign rice in fiscal 1995, gradually expanding it to 800,000 tons by fiscal 2000.

However, the government believes Japan would not be obliged to meet the requirements when foreign nations do not have surplus stockpiles to export to Japan due to their poor harvests, according to a government statement.

Whaling Commission Decision on Sanctuary Viewed

OW2805052494 Tokyo KYODO in English 0456 GMT 28 May 94

[Text] Puerto Vallarta, Mexico, May 27 KYODO—The International Whaling Commission (IWC) Friday [27 May] wrapped up a five-day conference after making a landmark decision to create a whale sanctuary and rejecting Japan's request for permission to catch 50 minke whales.

The IWC turned down Japan's request to allow it to catch 50 minke whales a year along the shores of Japan to support coastal communities affected by an IWC-moratorium on commercial whaling.

The request was voted down overwhelmingly, with 14 countries voting against it. Nine other nations voted for it and seven countries abstained.

The IWC's cold shoulder, which came on the heels of the Thursday decision to establish an antarctic sanctuary, dashed Japan's last hope for commercial whaling.

The IWC parlance again underscored Japan's increasingly isolated position in the international community over the whaling issue.

It put Japan in a tight corner, posing for it a crucial decision on whether it should give up what it calls a longstanding cultural heritage of whale eating or bolt out of the international organization, observers said.

Japanese officials were infuriated over the outcome of the session and cried foul play.

Kazuo Shima of the Fisheries Agency, Japan's chief delegate, blasted the IWC's rejection of Japan's request for a special quota on minke whales.

Shima argued it is discrimination against Japan since the IWC decided to increase the number of bowhead whales that Alaskan natives may kill under a clause that permits whaling by aboriginal groups.

"It is a discriminatory handling and is a great disappointment for us," he told a news conference.

"Bowhead whales are a kind that live only in a small number," Shima said. "Alaskan aborigines' whaling is partly commercial and is no different from Japanese whaling along the shores. It is unfair."

Shima also criticized the IWC's decision to create a sanctuary and its voted call on Japan to reconsider its whaling for research.

"Japan's argument that further discussions at the IWC Science Committee are necessary (to make such a decision) was ignored," he said. "We cannot allow an emergence of black holes in the research on whales. We will continue our research program."

Japanese whalers are allowed to catch up to 330 minke whales annually under a 12-year research program approved by the IWC.

But Japan has been accused by countries opposed to whaling and by environmentalists of hunting whales for commercial purposes under the guise of a scientific study.

The Japanese Government remains on the surface undaunted by the international call for reconsidering its research whaling.

"We will continue the current whaling research in the Antarctic Ocean and will soon start a similar research in the North Pacific region," one official said.

But some have admitted the planned establishment of a sanctuary will make it virtually impossible for Japan to continue the study in the current manner.

Although Japanese delegations were slightly encouraged by the IWC's endorsement of the need for scientific research, they did not rule out the possibility of Japan's walking out of the organization.

"We will decide on the issue after consultations with the government and people concerned," Shima said at the news conference.

Tokyo To Discuss Golan Heights Peace With Canada

OW3105093094 Tokyo KYODO in English 0915 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—Japan will send a government team to Canada on Saturday to explore the possibility of Japanese participation in U.N. peacekeeping efforts on the Golan Heights, officials said Tuesday [31 May].

The move came in response to an unofficial request from the United Nations to send personnel and assist Canadian peacekeepers in charge of logistics in the Middle East, the officials said.

The delegation, consisting of five officials from the Defense Agency and one from the Foreign Ministry, will return home on June 10 or 11 after meeting with Canadian Government officials, they said.

The government will study the possibility of Japan sending peacekeepers to the Golan Heights upon receiving a report from the team, the officials said.

The Golan Heights has been occupied by Israel since it seized the territory from Syria in 1967.

A total of 1,036 troops of the U.N. Disengagement Observer Force monitor the cease-fire between Israel and Syria in an area determined by a May 1974 accord on disengagement.

The U.N. force comprises 464 peacekeepers from Austria, 215 from Canada and 357 from Poland.

Tokyo Considers Providing Economic Aid to DPRK

Hata Supports Assistance

*OW3005043994 Tokyo KYODO in English 0429 GMT
30 May 94*

[Text] Tokyo, May 30 KYODO—Japanese Prime Minister Tsutomu Hata on Monday [30 May] called for economic assistance to isolationist North Korea to stabilize the country and to help defuse the tension over Pyongyang's suspected nuclear weapons program.

"We can make plenty of efforts to improve the standard of living in North Korea. I would like to ask you to open your hearts," Hata told an interpellation session in the House of Representatives Budget Committee.

He stressed, however, that Japan should tie up with the United States, South Korea and China to discuss a response to the breakdown of negotiations between the International Atomic Energy Agency (IAEA) and North Korea.

IAEA inspectors left Pyongyang on Saturday after being denied an opportunity to take samples from spent fuel rods, discharged from North Korea's 5-megawatt reactor in Yongbyon, to verify whether nuclear material has been diverted in the past.

The United Nations Security Council, which has the power to impose sanctions to enforce the IAEA request, is slated to discuss this latest development in the longstanding nuclear controversy Tuesday.

Speaking at the same lower house budget panel, Foreign Minister Koji Kakizawa said that the UN nuclear watchdog, nonetheless, continues unofficial talks with Pyongyang over the monitoring of the fuel rod exchange and full inspections of the country's nuclear facilities.

"The IAEA after its pullout is continuing (negotiations), though it is not possible to say publicly where and with whom," Kakizawa said.

The U.S., South Korea and other Western nations allege that North Korea is attempting to build atomic weapons.

North Korea claims its nuclear program pursues strictly civilian purposes, but has repeatedly refused to comply with nuclear safeguard accords it signed with the agency.

Government Expected To Follow UNSC

*OW3005125194 Tokyo KYODO in English 1232 GMT
30 May 94*

[Text] Tokyo, May 30 KYODO—Japan may halt all remittances to North Korea and take other measures if the United Nations decides to slap sanctions against Pyongyang in protest over its continued resistance to the inspection of spent fuel rods, government sources said Monday [30 May].

If the U.N. Security Council (UNSC) adopts economic embargoes against North Korea, the Japanese Government is expected to follow with curbs on trade and transport between the two countries.

The possibility of sanctions has grown since the International Atomic Energy Agency (IAEA) said Saturday its negotiations with North Korea over the fuel rod issue failed.

The U.N. nuclear watchdog has been asking to be allowed to examine the spent fuel rods to determine if plutonium had been siphoned off to make nuclear bombs.

The failure of the nuclear negotiations has put Japan in a quandary, leaving the country sandwiched between international calls for action against its neighbor and the fear of angering China.

The sources said the government will make a final decision after taking into account the moves not only by the UNSC but also by China, which maintains close ties with Pyongyang.

For the possible sanctions, the Ministry of Finance is considering suspending all remittances to the country, which amount to 60 billion yen a year.

Private banks have already voluntarily refrained from sending dollars to North Korea.

On the trade front, the Ministry of International Trade and Industry (MITI) is thinking of the possibility of a virtual halt in North Korea-bound exports by requiring all shipments to be approved by the MITI chief.

Two-way trade amounted to 50 billion yen worth last year.

Furthermore, the Transport Ministry, for its part, can reduce the number of charter flights between the two countries—there are about 80 a year at present—and curb tourism.

Japan imposes similar sanctions against Libya and Iraq.

The sources said such steps would likely put a serious strain on the bilateral ties and may damage Japan's business with China.

Bankers Cautious on Halting Remittances

*OW3105112294 Tokyo KYODO in English 1041 GMT
31 May 94*

[Text] Tokyo, May 31 KYODO—Halting dollar transfers to North Korea may hurt Japanese banks' business operations, the industry leader cautioned Tuesday [31 May].

With the loss of dollar-denominated remittances, "one cannot say it is no hindrance to operations," said Toshio Morikawa, chairman of the Federation of Bankers Associations of Japan.

Morikawa was addressing a regular news conference a day after government sources said Japan may halt all remittances to North Korea if the United Nations imposes sanctions on Pyongyang for its refusal to permit inspections of its spent nuclear fuel rods.

Private banks have already stopped sending dollars to the country after Utsunomiya-based Ashikaga Bank, which handles most North Korean remittances, decided not to serve as an intermediary for other Japanese banks, informed sources told KYODO NEWS SERVICE earlier this month.

On measures to deal with the mountain of bad debts that Japanese banks hold, Morikawa said he was "quite cautious" about suggestions that banks accept one-time losses, a postwar taboo, in order to write off the loans more quickly.

Saying he could only speak for Sumitomo Bank, of which he is president, Morikawa said it is necessary to consider how society would accept such a move and how it would affect operations.

Bank of Japan and Finance Ministry leaders have said they support active loan writeoffs but they have avoided the direct question of going into the red to clear the problem loans, a legacy of the late 1980s lending spree.

Japan's 21 leading banks said late last week they slashed their profits for the business year through March to write off 3.61 trillion yen in bad loans, up 2.6 times from fiscal 1992.

The bad loan total at the 11 leading commercial banks, three long-term credit banks and seven trust banks was 13.58 trillion yen as of March 31, up 801.6 billion yen from a year before but down 184 billion yen from six months earlier.

On the postponed signing of a planned merger of three second-tier regional banks in northeast Japan, Morikawa said banks must "get sufficient understanding from their employees and clients" but that mergers remain "an important option" for restructuring.

Officials at Sendai-based Tokuyo City Bank, Kita-Nippon Bank of Morioka and Shokusan Bank of Yamagata said the indefinite delay of the signing, originally scheduled for Tuesday, resulted from a procedural delay.

But banking sources said the merger ran into stiff opposition from employees' unions and customers of Kita-Nippon Bank.

Morikawa also expressed support for continued corporate political contributions.

"I do not think corporate contributions are completely bad," he said. "As things are now, making appropriate contributions to groups aiming to promote a free economy cannot be helped."

Further on Events Surrounding DPRK Nuclear Issue

'Regret' Over Nuclear Program Voiced

OW3005040094 Tokyo KYODO in English 0349 GMT
30 May 94

[Text] Tokyo, May 30 KYODO—Japan on Monday [30 May] expressed regret over North Korea's refusal to suspend the refueling of a nuclear reactor suspected of being used to produce nuclear weapons.

"It is very regrettable North Korea has failed to make sincere response to the IAEA's efforts," Chief Cabinet Secretary Hiroshi Kumagai said at a news conference.

North Korea and the International Atomic Energy Agency (IAEA) broke off their three-day talks in Pyongyang on Friday after the two sides failed to come to agreement over the inspection of spent fuel rods removed at the reactor.

The top government spokesman also demanded that North Korea immediately suspend the removal of nuclear fuel rods from its 5-megawatt nuclear reactor at Yongbyon, 90 kilometers north of the capital, and fully abide by international nuclear safeguards.

The IAEA has told north Korean negotiators that continuing replacement of fuel rods without inspection violates safeguards requirements as specified by the Nuclear Non-Proliferation Treaty.

Saying Japan has tried to persuade North Korea to suspend the refueling in concert with the United States, South Korea and China, Kumagai vowed further efforts to grapple with the communist country's suspected nuclear arms program.

Meanwhile, Kumagai withheld comments when asked if Pyongyang's reported preparations for test-launching a missile is linked with the outcome of the North Korea-IAEA talks.

North Korea test-launched the Nodong-1 missile, with an estimated 1,000-kilometer range, over the sea of Japan in May 1993.

Pyongyang's development of a long-range missile poses a serious threat to Japan and South Korea, as does its suspected nuclear arms program.

Tokyo Backs UNSC Statement

OW3105071794 Tokyo KYODO in English 0641 GMT
31 May 94

[Text] Tokyo, May 31 KYODO—Japan on Tuesday [31 May] offered support for a presidential statement by the U.N. Security Council (UNSC) "strongly" urging North Korea to suspend the unmonitored exchange of spent fuel rods at a 5-megawatt reactor in Yongbyon.

"The Japanese Government supports the contents of this statement by the president of the Security Council," said a Foreign Ministry statement read by deputy spokesman Kishichiro Amae.

Japan also expresses concern "about the course of events and strongly urges North Korea to immediately stop this operation and make consultations with the International Atomic Energy Agency (IAEA)," Amae said.

The Security Council on Monday unanimously adopted at an unofficial emergency session the presidential statement warning "further Security Council consideration" should North Korea continue to bar the IAEA from examining the discharged rods.

The 15-member council, acting at the request of the United States after receiving a letter by U.N. Secretary General Butrus Butrus-Chali from IAEA chief Hans Blix, said it is "gravely concerned" about the IAEA's assessment. It did not, however, directly refer to sanctions.

Amae said Japan is making "various types of diplomatic efforts," such as urging related countries, including the U.S., South Korea and China, to exert their influence in dissuading North Korea from going nuclear.

But he declined to elaborate.

NSC Briefed on Inspections

*OW3105043094 Tokyo KYODO in English 0408 GMT
31 May 94*

[Text] Tokyo, May 31 KYODO—The Japanese National Security Council [NSC] headed by Prime Minister Tsutomu Hata on Tuesday [31 May] took up the issue of Pyongyang's refusal to permit full inspections of its nuclear activities, government sources said.

Foreign Minister Koji Kakizawa reportedly briefed the meeting on the collapse of talks between North Korea and the International Atomic Energy Agency (IAEA) over the inspection of spent fuel rods being removed from a 5-megawatt reactor in the Yongbyon complex.

Kakizawa also briefed the closed-door meeting on the discussion currently under way within the United Nations Security Council and reaction from other nations to the nuclear impasse, the sources said.

Kakizawa later told reporters that North Korea has already removed about half of the 8,000 fuel rods in the experimental reactor.

He said that if the United Nations had waited to adopt a presidential statement on the reactor refueling, the opportunity to ensure no radioactive materials from the reactor have been diverted to military purposes would be lost.

At Tuesday's meeting in Tokyo, the Japanese Defense Agency explained the situation on the Korean peninsula and reported on information it had received from the United States about North Korea's expected missile launch, government sources said.

In New York on Monday, the UN Security Council adopted a presidential statement urging North Korea to halt the fuel rod removal after receiving a letter from the IAEA on Friday.

Activities of Visiting UK Trade Minister Noted

Urges Tokyo Support in Trade Drive

*OW3105044894 Tokyo KYODO in English 0342 GMT
31 May 94*

[Text] Tokyo, May 31 KYODO—British Trade Minister Richard Needham called for Japanese support Tuesday [31 May] in a campaign to boost the entry of British companies into the Japanese market, Foreign Ministry officials said.

In a meeting with Foreign Minister Koji Kakizawa, Needham called for Japan to support the "action Japan" campaign, the third such campaign by Britain to boost trade with Japan, the officials said.

The "action Japan" campaign aims at offering advice and specific information on 10 industrial sectors in the Japanese market to British companies, they said.

Needham also vowed to try to deepen British firms' understanding of the Japanese market and to "constructively" solve the trade imbalance with Japan, they said.

Kakizawa told Needham that Japan intends to support the British efforts as much as possible and pointed to the need for cooperation by both Japanese and British companies in the world to strengthen bilateral economic ties, the officials said.

Needham arrived in Japan on Monday to promote the trade campaign. He is scheduled to leave Japan for Taiwan on Tuesday.

Unveils Plan To Boost Exports

*OW3105060694 Tokyo KYODO in English 0537 GMT
31 May 94*

[Text] Tokyo, May 31 KYODO—Britain announced an action program Tuesday [31 May] to provide British companies with better export opportunities in Japan.

The "action Japan" program is aimed at creating a partnership between Japan and Britain both at the governmental and private-sector levels to make British products more competitive not only in Japan but in global markets, British Trade and Industry Minister Richard Needham said at a news conference in Tokyo.

The British Government has selected 10 industrial sectors with the most growth potential as focusing areas under the export campaign, Needham said.

He said the program will center on trade missions, trade fairs, seminars and marketing research, all to be conducted jointly with the Japan External Trade Organization.

The 10 designated sectors are health care, auto parts, marine equipment, power generation equipment, construction, giant global projects, electronic components, environmental equipment and services, food and beverages, and lifestyle-related areas such as clothing, textiles and retailing.

Britain wants to expand Japanese-bound exports to 3.5 billion pounds a year from the current 2.6 billion pounds within two or three years, Needham said.

As a way to create larger business opportunities for British firms, Needham stressed the need for the Japanese Government to ease its control on rules and regulations.

Needham said he recently presented to the Japanese Government a list of industrial sectors where Britain wants to see deregulation.

The sectors are financial services, legal services, telecommunications, oil, chemicals, pharmaceuticals, liquors, food and beverages, autos and marine equipment, the trade minister said.

It is necessary for British firms to compete with Japanese counterparts "on a level playing field," Needham said.

Needham is visiting Japan as part of an export-promoting tour of five Pacific rim countries.

"Action Japan" is the third program of its kind that Britain has formulated, following "opportunity Japan" in 1988 and "priority Japan" in 1991.

OECD Aid Increases by 15.4% in Fiscal 1993

OW3105091694 Tokyo KYODO in English 0837 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—Japan's Overseas Economic Cooperation Fund (OECD) said Tuesday [31 May] its economic assistance for fiscal 1993 ended in March this year totaled 1,009.5 billion yen, up 15.4 percent from the preceding year.

The sum comprised 1,003.2 billion yen in direct loans and 6.3 billion yen in general aid, the fund said.

All of the direct loans were untied credits, the OECD said.

Direct loans to environment-related projects came to 18 cases for a combined value of 181.2 billion yen, an all-time high for the category. The sum accounted for 18.1 percent of the total direct loans for the reporting year.

Direct loans bound for Asian countries represented a record 79.3 percent of the total direct loans, the OECD said.

Government Extends Mozambique Peacekeeping Mission

OW3105024194 Tokyo KYODO in English 0135 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—The government Tuesday [31 May] decided to extend the peacekeeping duties of scores of Self-Defense Forces' members in Mozambique until early next year, government officials said.

The decision follows the overall extension of the UN peacekeeping mission in Mozambique until November due to the delay in disarming antigovernment guerrilla forces there, the officials said.

The Japanese will stay until Feb. 15, 1995 in the second extension of their dispatch. The first extension was granted in November last year.

The group, who currently serve in the headquarters of the UN mission in the African nation, left Japan on May 18 to replace another group of five SDF members who returned on Sunday after serving a year there.

In addition to the five, 48 SDF members are serving in two provinces in Mozambique.

Lower House To Pass FY 1994 Budget 8 Jun

OW3005080294 Tokyo KYODO in English 0729 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—The House of Representatives Budget Committee will likely vote June 8 to approve the long-overdue 73 trillion yen fiscal 1994 budget bill the passage of which has been stalled over an opposition demand to scrutinize money scandals involving general contractors and politicians, Diet sources said.

The prospects of the crucial bill clearing the parliamentary hurdle have been strengthened following an agreement between the ruling coalition and the opposition to hold intensive debate on the political ethics issue at the panel on June 6, the sources said.

The accord to give the go-ahead to the bill's passage was struck at a meeting of the panel's directors from both the coalition and the opposition, they said.

If the bill clears the key hurdle, it will be immediately referred to the House of Councillors for its approval.

The director of the No.1 opposition Liberal Democratic Party hinted that the party may demand parliamentary summoning of Shinseitō [Japan Renewal Party] Secretary General Ichiro Ozawa as a sworn witness to the debate over allegations that he received illicit funding from general contractors, the sources said.

The director of the Social Democratic Party voiced the party's readiness to go along with the LDP demand.

The SDP, which stormed out of the coalition on April 26 over the abrupt formation of a large non-SDP conservative parliamentary bloc in the lower chamber, has taken a confrontational parliamentary stance against the coalition in recent weeks.

Ex-Prime Minister Hosokawa Escapes Attack

'Right-Wing' Suspect Arrested

OW3005130894 Tokyo KYODO in English 1246 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—Police Monday [30 May] arrested a member of a right-wing organization after he fired a gun shot at the ceiling of a hotel lobby in an abortive attempt to attack former Prime Minister Morihiro Hosokawa.

Hosokawa, who escaped unhurt, was on his way home from a party marking the establishment of the Tokyo chapter of the Japan New Party [JNP] which he heads, held at the Keio Plaza Hotel.

Police identified the suspect as Masakatsu Nozoe, 52. His shot missed the target as plainclothes men slapped the gunman on his hands holding a revolver aimed at Hosokawa, witnesses said.

But police later quoted Nozoe as saying he first aimed at Hosokawa but then fired at the ceiling.

The alleged assailant later told police that he had become upset with Hosokawa's apologies for Japan's wartime responsibilities and over his economic policies.

According to police, Nozoe approached the former prime minister in the third floor lobby of the hotel and fired the gun in the direction of Hosokawa.

Police officers immediately subdued the assailant, while plainclothes officers rushed the former premier out of the hotel and into a waiting car.

A shaken Hosokawa reportedly expressed concern for his wife as he was escorted out of the hotel, saying, "Kayoko is still here. Please (take care of her)."

Hosokawa, who has been burdened with questions surrounding his financial dealings, resigned last month as head of a fragile coalition government which replaced four decades of rule by the Liberal Democratic Party.

He has since maintained a low profile, reportedly staying at his Karuizawa retreat and at Tokyo hotels.

According to party sources, Hosokawa has been threatened by rightist organizations since assuming office last August over his apologies for Japanese atrocities during World War II. The JNP has reportedly taken precautions to protect Hosokawa since then.

Shoots in 'Show of Protest'

*OW3005151094 Tokyo KYODO in English 1448 GMT
30 May 94*

[Text] Tokyo, May 30 KYODO—A gunman threatened former Prime Minister Morihiro Hosokawa on Monday with a shot at the ceiling of a Tokyo hotel in what he called a show of protest against Hosokawa's past remarks on World War II and economic policies, police said.

The assailant, identified as Masakatsu Nozoe, 52, a member of a right-wing organization, was overpowered and detained by plainclothes men immediately after the incident in the third-floor lobby at the Keio Plaza Hotel, witnesses said.

Hosokawa, 56, was unhurt. He was rushed out of the hotel and into a waiting car.

Prime Minister Tsutomu Hata denounced the attack, saying, "such an act would destroy democracy." The last known rightist attack on a politician came in March 1992 when a shot was fired at Shin Kanemaru, the disgraced kingmaker of the Liberal Democratic Party (LDP).

Hosokawa was on his way home from a party at the hotel marking the establishment of the Tokyo chapter of the Japan New Party (JNP) which he heads. The assailant later told police that he had become upset with Hosokawa's apologies for Japan's wartime responsibilities and over his economic policies, police said.

A shaken Hosokawa reportedly expressed concern for his wife as he was escorted out of the hotel, saying, "Kayoko is still here. Please (take care of her)." Hosokawa, who has been burdened with questions surrounding his financial dealings, resigned last month as head of a fragile coalition government which replaced four decades of rule by the LDP. He has since maintained a low profile, reportedly staying at his Karuizawa retreat and at Tokyo hotels.

According to party sources, Hosokawa has been threatened by rightist organizations since assuming office last August over his apologies for Japanese atrocities during World War II. The JNP has reportedly taken precautions to protect Hosokawa since then.

'Right-Wing' Group Raided

*OW3105073194 Tokyo KYODO in English 0713 GMT
31 May 94*

[Text] Tokyo, May 31 KYODO—Police Tuesday [31 May] started raiding a right-wing organization's office and some other locations in connection with Monday's gunshot fired near former Prime Minister Morihiro Hosokawa, police said.

Police are searching the Shinjuku office of the right-wing group "Shokonjuku" on suspicion of violating the law to control the possession of firearms and swords.

Hosokawa escaped unhurt when Masakatsu Nozoe, a one-time Shokonjuku member, fired a gun toward the ceiling close to the former premier at the Keio Plaza Hotel in Tokyo's Shinjuku ward.

Nozoe, 52, was arrested immediately after the attack.

Demands for Hata's Resignation Continue

Watanabe Demands Again

*OW2705153694 Tokyo KYODO in English 1451 GMT
27 May 94*

[Text] Chiba, May 27 KYODO—Former foreign minister Michio Watanabe on Friday [27 May] demanded the resignation en masse of the administration of Prime Minister Tsutomu Hata prior to the summit in July of seven major industrial democracies in Naples, Italy.

"We should not allow prime minister Hata to go and sign agreements (at the summit)," the veteran politician of the no. 1 opposition Liberal Democratic Party said.

Watanabe appealed to non-LDP politicians with political ideals similar to those of the LDP to form a "grand alliance" with the LDP in order to oust the current ruling coalition from power.

"Some forces in the Social Democratic Party, the Democratic Socialist Party and Komeito have similar political ideas to those of the conservative forces," he said.

The remark was a clear departure from his previous statements, with which he warned the political community against forming a coalition with SDP politicians.

Watanabe has repeatedly warned that the presence of SDP forces in the ruling coalition would undercut Japan's national interests by barring Japan from reforming its tax system or taking a tough line in the face of the suspected North Korean nuclear arms program.

Motion Against Hata 'Inevitable'

*OW2805093294 Tokyo KYODO in English 0834 GMT
28 May 94*

[Text] Matsumoto, Nagano Pref., May 28 KYODO—The chief of the largest opposition party said Saturday [28 May] it is inevitable that his party will submit a no-confidence motion against the minority cabinet of Prime Minister Tsutomu Hata after passage of the fiscal 1994 state budget through the Diet.

Yohei Kono, president of the Liberal Democratic Party (LDP), told reporters that he regards the Social Democratic Party's [of Japan] (SDPJ) call for resignation of the Hata cabinet en masse as a sign of no-confidence in the cabinet.

Kono expressed readiness to strengthen the alliance with the SDPJ, the second largest opposition party, saying it is important for the two parties, which have great influence in the Diet, to have talks.

SDPJ Secretary General Wataru Kubo on Thursday called on Hata to resign voluntarily once the state budget clears the Diet and before a no-confidence vote is taken so as to fashion a new coalition government.

Kubo, the No. 2 man in the SDPJ, has indicated that the SDPJ may move to bury the hatchet with its former coalition partners and join a new ruling union.

The SDPJ walked out of the coalition in late April to protest the abrupt formation by other coalition parties of a new parliamentary group excluding the SDPJ, forcing Hata to form the first minority government in 39 years.

LDP Chief Reiterates

*OW2905092294 Tokyo KYODO in English 0906 GMT
29 May 94*

[Text] Tokyo, May 29 KYODO—The chief of the largest opposition Liberal Democratic Party (LDP) called Sunday [29 May] on the minority government of Prime Minister Tsutomu Hata to resign en masse before the summit meeting of the Group of Seven (G-7) major industrial countries in Naples in July.

LDP President Yohei Kono said during a lecture in Niigata, north of Tokyo, "what can the minority ruling government promise at the G-7 summit meeting? Can it

carry out what it has decided? We must consider whom we can dispatch to the international community with responsibility."

Kono told reporters after the lecture that he supports an early dissolution of the House of Representatives for a snap general election, saying the current government does not reflect the opinion of the people shown at the general election last summer.

The president of the LDP, which was ousted from power for the first time in 38 years by the coalition last August, also said his party and the Social Democratic Party [of Japan] (SDPJ), the second largest opposition party which withdrew from the ruling coalition in April, share the view that the minority government should be replaced.

Former Foreign Minister Michio Watanabe of the LDP said Sunday it would be difficult for the LDP to form a coalition government with the SDPJ as the majority of its members are supported by labor unions.

"The majority of SDPJ members of parliament depend on labor unions (for their seats)," Watanabe said during a Japan Broadcasting Corp. (NHK) television program. "So it is practically impossible to form a coalition unless agreement is reached with labor unions."

Watanabe, who heads the third largest LDP faction, said "it is also wrong to think dividing the SDPJ would be easy" to form a coalition with some SDPJ lawmakers.

The LDP's main support still lies among leading business circles, while the SDPJ draws its strength from Japan's labor unions.

On prospects for the timing of a general election, Watanabe said it is reasonable that the next general election be held under the new electoral system since only the passing of a bill is needed for demarcating the boundaries of a new single-seat electoral map.

Watanabe said, however, that Hata has "the arbitrary right to dissolve" the Diet, suggesting an election might be held under the current multiseat system.

The Diet in January legislated a package of electoral reform bills replacing the current multiseat system for the lower house with a mix of single-seat electorates and proportional representation.

An independent panel of experts is currently dividing the nation's multiseat constituencies into 300 single-seat districts.

LDP Secretary General Yoshiro Mori showed understanding of SDPJ Chairman Tomiichi Murayama's call for an agreement between ruling and opposition parties to hold a general election under the current system, delaying the introduction of the new electoral system until the following general election.

Mori told a news conference in Sapporo, Hokkaido, in northern Japan, that "it is one idea that the leaders of responsible parties gather and take such a measure (as Murayama offered)," suggesting his willingness to cooperate with the SDPJ.

Mori also said the LDP should cope with a general election under the current electoral system "if Hata dissolves (the Diet) of his own accord."

Three senior LDP legislators said Sunday if the Hata cabinet resigns en masse, the LDP may nominate a non-LDP candidate as premier.

Former Construction Minister Taku Yamasaki, former Chief Cabinet Secretary Koichi Kato and former Posts and Telecommunications Minister Junichiro Koizumi made the suggestion on an Asahi TV program. The trio have created a new policy study group.

Yamasaki said, "(the next government) will be a caretaker cabinet until the next general election and will be a de facto coalition cabinet of the LDP and the SDPJ. But it will be difficult for a candidate from the two parties to assume the premiership."

"Michio Watanabe will be a strong candidate (if he quits the party and becomes an independent)," Yamasaki said.

Murayama Again Urges Resignation

OW2805025894 Tokyo KYODO in English 0218 GMT 28 May 94

[Text] Tokyo, May 28 KYODO—The leader of the second largest opposition party urged Prime Minister Tsutomu Hata to resign along with his cabinet or dissolve the House of Representatives, signaling greater resolve among the opposition camp to unseat the ruling coalition government.

Hata's minority government has no other options, said Social Democratic Party (SDP) Chairman Tomiichi Murayama, speaking at the beginning of a two-day session of the party's decision-making Central Committee.

Hata can choose to either have his cabinet resign en masse and establish a new coalition framework that includes the SDP, or he can dissolve the lower house, hold a general election and form a new government based on the voters' will, Murayama said.

The SDP must move to return to power, Murayama said, but added it should not be understood that the party would participate in the current Hata administration.

A draft action plan to be officially endorsed at the meeting stresses that the Hata cabinet opt for resigning en masse and a new coalition government be established.

But Murayama's remarks emphasized a greater resolve for the holding of a general election.

Murayama said the SDP should gather together "social democratic and liberal" forces centering on the party's cooperation with New Party Sakigake [Harbinger], led by former Chief Cabinet Secretary Masayoshi Takemura.

Murayama hinted he would be willing to cooperate with elements of the largest opposition Liberal Democratic Party (LDP), saying there are some LDP members who seek to protect the war-renouncing constitution.

He also said the SDP should seek cooperation with two ruling coalition parties—Komeito and the Democratic Socialist Party (DSP).

The SDP was the largest force in the coalition government until it bolted the alliance last month after a new Diet bloc was created by the coalition's core party Shinseito [Japan Renewal Party], former Prime Minister Morihiro Hosokawa's Japan New Party and the DSP.

The SDP's departure left Hata with Japan's first minority government in four decades.

More on Debate on Dissolution of House, Election

Election May Be Held 24 July

OW3005062594 Tokyo KYODO in English 0617 GMT 30 May 94

[Text] Fukuoka, May 30 KYODO—An opposition Liberal Democratic Party (LDP) leader called Monday [30 May] for top-level talks among the leadership of major political parties to address the unstable political situation.

The call was made by Koichi Kato, head of the LDP policy study group Shinseiki, during a press conference in Fukuoka, western Japan. Kato said talks among Prime Minister Tsutomu Hata and the leaders of the LDP, the Social Democratic Party (SDP) and new party Sakigake should commence soon after the passage through the Diet of the government's fiscal 1994 budget legislation.

Kato said the party leaders should also discuss how to ensure that Japan presents a credible performance at the Group of Seven (G-7) industrialized nations summit in Naples, Italy in July.

Taku Yamasaki, a member of the same LDP subgroup also attending the press conference, suggested a general election could be held with the current multiseat constituency system for the House of Representatives.

He said chances are that the lower house will be dissolved and a general election held probably on July 24.

Former Posts and Telecommunications Minister Junichiro Koizumi predicted at the same news conference that a no-confidence motion against the Hosokawa cabinet will be submitted either June 27 or 28 and a general election would be held either July 24 or July 31.

SDPJ Calls For General Election

OW2905070694 Tokyo KYODO in English 0639 GMT 29 May 94

[Text] Tokyo, May 29 KYODO—The second largest opposition Social Democratic Party [of Japan] (SDP) [SDPJ] adopted a declaration Sunday [29 May] calling for general elections in case the cabinet of Prime Minister Tsutomu Hata resigns en bloc voluntarily.

The declaration by the SDPJ's central committee came at the end of a two-day meeting in Tokyo.

The SDPJ is demanding the disbanding of Hata's fragile minority coalition government and the formation of a new coalition supported by a majority of parties, including itself.

The SDPJ did not join the Hata government when it was formed a month ago after his predecessor, Morihiro Hosokawa, backed by the party, resigned in a dispute over the former premier's personal financial dealings.

No-Confidence Motion Criticized

OW2705130694 Tokyo KYODO in English 1240 GMT 27 May 94

[Text] Tokyo, May 27 KYODO—A top government official expressed hope Friday [27 May] that a burgeoning campaign to drum up support for enactment of a redistricting bill before the next general election is held might scare the opposition away from submitting a no-confidence motion against the administration of Prime Minister Tsutomu Hata.

The signature-gathering campaign "has made it difficult for them to table a no-confidence motion before bills for political reform are legislated," the official said on condition of anonymity.

Although the Diet enacted bills in January to replace the current multiseat electoral system in the 511-seat House of Representatives with a mixture of 300 single-seat electorates and proportional representation, enactment of a redistricting bill must be in place before an election can be held under the new system.

He said opposition moves to force the administration to call an early election under the current multiseat system could be scuttled by a growing intraopposition rift over the wisdom of forcing a vote before an electoral redistricting bill is passed.

He said that as many as 42 Liberal Democratic Party legislators and 21 Social Democratic Party [of Japan—SDPJ] lawmakers have signed the petition objecting to the holding of elections before the redistricting bill.

At present, the LDP and SDPJ leaderships are studying a strategy of submitting a no-confidence motion immediately after the Diet passes the long-overdue fiscal 1994 state budget.

The official said that, meanwhile, the ruling coalition is stepping up its efforts to convince the SDPJ to return to the fold of the anti-LDP coalition.

The SDPJ stormed out of the coalition April 26 after coalition parties abruptly announced a decision to form a new parliamentary bloc in the lower chamber excluding the SDPJ. The withdrawal rendered the Hata administration to a fragile minority government.

"The time will come when we will review the current combination of coalition parties without having it entail the disbandment of the whole cabinet," the official said.

He said the coalition "would not be able to accomplish tax system reforms if it remains a minority government," in

apparent reference to a controversial agenda of raising the rate of the 3 percent consumption tax.

In a related development, a leader of the Democratic Socialist Party, a minor coalition partner, blasted the opposition for plotting to scuttle the Hata administration before the redistricting bill is enacted.

"The righteous political argument is that the general election should be called after the electoral redistricting bill is legislated," DSP Secretary General Takashi Yonezawa said.

"If (the LDP and SDPJ leaderships) try to force the election under the multiseat constituency system, each of the two parties would face intraparty dissenting voices who will rap such moves as attempts to crush political reform," he said.

Proponents of the single-seat system have argued the system would clear up Japan's money-dominated politics, as it would eliminate the intense competition among candidates from the same party as seen under the current multiseat system.

Critics of the single-seat system argue, however, that it would intensify the race among only a few candidates seeking to grab the sole available seat, thereby tempting candidates to wine and dine voters or raise murky funds to cuddle voters.

Press Coverage on Coalition Issues Continues

Hata Hints Coalition With LDP

OW3005133694 Tokyo KYODO in English 1325 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—Prime Minister Tsutomu Hata on Monday [30 May] hinted at his party's preparedness to form a coalition with the No. 1 opposition Liberal Democratic Party (LDP).

"I do not have any vengeance (against the LDP) at all. Such an option is possible," Hata told the House of Representatives Budget Committee.

Hata, the leader of Shinseito [Japan Renewal Party], a core party in the ruling coalition, was responding to an LDP questioner who urged the prime minister to consider the possibility of "forming a conservative coalition with the LDP" by giving up any vengeful feelings he may still hold toward the party.

However, Hata quickly added his reservations over the proposal, saying, "if we put priority on forcing political stability alone, it would not change Japan's politics."

Japan "needs to go through the process of devastating the vestiges of the (LDP's) long hold on power," he said.

The premier made the comments as his minority government is facing a possible no-confidence motion by either the LDP or the Social Democratic Party that could scuttle his minority government.

The minority coalition accounts for 178 out of the 511-seat lower chamber. Shinseito has a parliamentary strength of 61. If combined with the 206 LDP legislators, such a conservative alliance would hold 267 seats—well above the majority.

The mass defection of former LDP members who later formed Shinseito stripped the LDP of its majority in the lower chamber last June, putting an end to the party's 38-year grip on power.

In a related development, Hata expressed his willingness to hold separate summit talks with the leaders of the opposition parties.

"I am always ready. I am so even before or after the parliamentary passage of the (state) budget," he told a group of reporters in the Diet building.

Hosokawa on SDPJ Seeking Power

OW3005144694 Tokyo KYODO in English 1415 GMT
30 May 94

[Text] Tokyo, May 30 KYODO—Former Prime Minister Morihiro Hosokawa on Monday [30 May] cautioned the Social Democratic Party (SDP) [of Japan, SDPJ] against its move to try and reestablish its presence in the government, either as part of the ruling coalition or in an alliance with the Liberal Democratic Party (LDP).

"Although there's speculation that the SDP will join a third coalition government by returning to the fold or it may form a grand alliance with the LDP to force a dissolution of the House of Representatives, while the multiseat constituency system is still in place, such moves would be contrary to the momentum of history," he said.

Hosokawa was speaking about recent political developments at a party in a Tokyo hotel to mark the establishment of the Tokyo chapter of the Japan New Party (JNP), which he founded in 1992.

The statements were Hosokawa's first public remarks since the administration of his successor, Prime Minister Tsutomu Hata, was launched April 25 following Hosokawa's fall from grace amid allegations about his shadowy personal finances.

The speech came shortly before an alleged rightist assailant fired a shot in the Keio Plaza Hotel. The assailant, Masakatsu Nozoe, was quickly overpowered and later claimed shooting at the ceiling in a show of protest against Hosokawa.

"Although the withdrawal of the SDP from the ruling coalition was prompted by the formation of the unified parliamentary bloc, Kaishin (Innovation), it constituted a part of the historical adjustment process of the 1955 system," Hosokawa said.

The 1955 system refers to the fundamental power balance of the LDP-led conservative political camp and the SDP-led left-leaning opposition camp, which had been in place since 1955, when the LDP was formed from the merger of the Liberal Party and the Democratic Party.

Hosokawa refuted allegations that the days of the Japan New Party are numbered due to public disillusion with the party following the Hosokawa scandal.

"If the public thinks that the JNP's role no longer exists due to the fall of the Hosokawa administration, we have to stir up our courage against such a perception," he said.

The JNP made an impressive debut on the national political scene during last July's general election, when the party won 35 seats in the powerful lower chamber after its anticorruption campaign attracted corruption-weary voters.

SDPJ Executive Comments

OW3105002394 Tokyo FNN Television Network in
Japanese 2230 GMT 29 May 94

[Editorial Report] Tokyo FNN Television Network in Japanese at 2236 GMT, in its "News 2001" program, carries a 25-minute interview with Masanori Goto, deputy secretary-general of the Social Democratic Party of Japan (SDPJ), by moderator Yuji Kuroiwa, Keio University professor Yoshiaki Kobayashi, and political commentator Kenichi Takemura at the FNN studio in Tokyo.

At 2238 GMT, after citing FNN poll results that show a majority of SDPJ members want to return to the coalition, Kuroiwa asks for Goto's opinion on the results.

Goto says: "In the current political situation, a political party cannot justify its existence if it does not participate in the administration. In this sense, it is natural that the SDPJ should want to participate in the coalition."

But he adds: "This does not mean, though, the SDPJ will return to the second coalition government in its present form."

Kobayashi says the SDPJ may need very persuasive reasons to justify its decision to return to the coalition. Goto replies that the SDPJ will make efforts to get the party's policy reflected in the coalition administration.

Kuroiwa then cites criticism of the party leadership for its inconsistent political stance. Goto refutes the criticism, saying the SDPJ is only trying to be responsible.

Goto is then asked why the SDPJ participated in the former Hosokawa administration when it experienced difficulties and was forced to make many painful compromises. He says the party played a significant role on various issues, including rice and tax reform.

Asked about the SDPJ's position on returning to the coalition, Goto says: "It would be meaningless to call for the dissolution of the House of Representatives to hold a general election under the current multiseat electoral district system."

He says the SDPJ will return to the coalition if the Hata cabinet resigns en masse to establish a new coalition government.

He says: "It is necessary for the SDPJ to conclude a new policy agreement with the new coalition. If such an agreement is reached, it would be possible for the SDPJ to join."

And if agreement is reached, he says, Prime Minister Tsutomu Hata need not step down because the SDPJ would not rule out the possibility of him heading the new cabinet.

Takemura joins the discussion, voicing support for the SDPJ's stand on returning to the coalition.

Kuroiwa asks about the conditions on which the SDPJ would return to the coalition, and Kobayashi cites the results of an FNN poll conducted among SDPJ Diet members. Results of the poll show SDPJ members want the alliance between Shinseito (Japan Renewal Party) Secretary-General Ichiro Ozawa and Komeito Secretary-General Yuichi Ichikawa dissolved; the "Kaishin" floor group disbanded; transparency in the policy-making process; and a cabinet resignation or reshuffle.

Goto notes the need to ensure transparency in policy-making, saying: "There has been criticism of the closed nature of the meeting of ruling party representatives. Open discussions should be held not only by party chairmen and secretaries general, but also by several executives from each party."

Goto is asked why the SDPJ is trying to return to the coalition.

He says: "It is necessary for us to join the administration to uphold and implement our policy proposals in a concrete form."

Kobayashi expresses concern that the SDPJ may not be able to maintain its policies in the coalition. Goto tries to dispel the concern, saying the SDPJ will make efforts to coordinate differences in opinion among the ruling parties.

SDPJ Urged To Be More Realistic

OW3005094994 Tokyo KYODO in English 0902 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—Komeito Secretary General Yuichi Ichikawa urged the Social Democratic Party [of Japan, SDPJ] Monday [30 May] to present "more realistic terms" in seeking to rejoin the ruling coalition.

Ichikawa, arch ally of coalition architect Ichiro Ozawa, told a news conference, "I cannot approve of a reconfiguration of the current administration only to achieve the goal of enticing the SDP back into the coalition fold."

The veteran politician was commenting on a decision by the SDP during a meeting in Tokyo of local representatives nationwide to try to reintegrate itself into the government if the current coalition agrees to replace its cabinet lineup with a new one.

The SDP meeting adopted the strategy of forcing Prime Minister Tsutomu Hata to disband his minority cabinet by offering to marshal 74 SDP legislators behind his administration and transform it into a stable majority government.

The SDP stormed out of the coalition on April 26 over the secret formation of a large non-SDP parliamentary voting bloc in the House of Representatives.

Ichikawa expressed opposition to an SDP threat to support a possible no-confidence motion against the Hata administration unless Hata agrees to voluntarily disband his cabinet.

A no-confidence motion, if approved by a majority of the lower chamber, would force Hata to choose between disbanding the cabinet or calling a snap general election.

"Forcing a dissolution of the lower chamber while the current multiseat constituency system is still in place would amount to crushing reform, whatever rationale they may cite for it," he said.

Ichikawa expressed irritation at burgeoning rumors that some quarters in the SDP may take advantage of the popularity of incumbent Hokkaido Gov. Takahiro Yokomichi to marshal liberal and left-leaning politicians behind him in a new political party.

Yokomichi "should give up the governorship immediately by suspending his term as governor responsible for administration for the prefecture of Hokkaido, if he wants to enter the central political community," he said.

"Unless Yokomichi speaks from his heart (about the political agenda), it is pointless to speculate (on his move)," Ichikawa said.

JNP Breakaway Joins Sakigake, Seiun

OW3105050894 Tokyo KYODO in English 0435 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—The four-legislator group Minshu no Kaze (Democratic Wind), a breakaway from the Japan New Party [JNP], on Tuesday [31 May] joined an 18-member parliamentary group consisting of New Party Sakigake [Harbinger] and the Group Seiun in the House of Representatives.

Minshu no Kaze defected from the JNP, which is headed by former Prime Minister Morihiro Hosokawa, due to differences with the party leadership.

Sakigake, a 15-member party, is headed by Masayoshi Takemura, former chief cabinet secretary in the preceding coalition government.

The three-member Seiun, also a breakaway from the JNP, left after Hosokawa failed to carry out a planned merger with Sakigake.

Political sources said there are still some members within the JNP who are opposed to the leadership's close ties with the key coalition party Shinseito [Japan Renewal Party] led by Prime Minister Tsutomu Hata.

They predicted that the division within the JNP could lead more breakaways to join the 22-member parliamentary group comprising Sakigake, Seiun and Minshu no Kaze.

Hata Said Suppling Funds to Shinseito

OW3105083894 Tokyo KYODO in English 0821 GMT
31 May 94

[Text] Tokyo, May 31 KYODO—Prime Minister Tsutomu Hata has provided a total of 200 million yen to his Shinseito [Japan Renewal Party] as political funds, according to Hata's report on his assets Tuesday [31 May].

Hata has donated to Shinseito through his fund-raising organization "Shinwakai," starting with a 20 million yen contribution to Hata's newly created faction in the Liberal Democratic Party in January 1993, immediately after he launched his own group, according to Hata's Secretary Akira Makabe.

Hata's 50 million yen loan from banks, revealed in his financial report, was lent to Shinwakai, and part of the money was further donated to Shinseito, said Makabe, who also works for Shinwakai.

It was the first, albeit partial, disclosure of Shinseito's fund resources.

Shinseito, a key party in the ruling coalition headed by Hata, is scheduled to disclose the balance sheet on its political financing in September.

Moriyoshi Sato, director general of the Hokkaido and Okinawa Development Agencies, who handled the party financing, said he also borrowed 100 million yen from banks last October and lent 50 million yen to the party.

"Mr. Hata and Mr. (Ichiro) Ozawa are lending to the party with borrowed money," he said. Ozawa is Shinseito's secretary general and the main strategist in the coalition.

Assets of Hata Cabinet Twice Those of Hosokawa

OW3105085894 Tokyo KYODO in English 0818 GMT
31 May 94

[Text] Tokyo, May 31 KYODO—The aggregate value of personal assets of ministers in Prime Minister Tsutomu Hata's cabinet is 2.4 times that of the cabinet of his predecessor, Morihiro Hosokawa, according to KYODO NEWS SERVICE calculations based on figures announced by the ministers.

The political offices of Hata and his 20 ministers, as well as former Justice Minister Shigeto Nagano who quit the cabinet over an outcry following his remarks contradicting Japan's wartime atrocities, announced their asset values on Tuesday [31 May] in line with a decade-long custom in Japan's political community.

The Hata administration became the 14th administration to reveal the asset values of its cabinet ministers in accordance with the custom initiated by the 1984 cabinet of Prime Minister Yasuhiro Nakasone amid public pressure on politicians to clarify their personal finances.

The total of the voluntarily-disclosed value of land and other fixed asset property, stock and bond holdings and bank savings held by the ministers stood at 3.22 billion yen, according to the self-assessment.

However, these figures—calculated on the basis of the face value of stock and a special official format used in the calculation of tax amounts—do not reflect the realities of the land and stock market.

The real aggregate value of the assets of Hata's ministers amounts to 13.33 billion yen, according to the KYODO calculations.

The aggregate asset value of the Hata cabinet turned out to be more than double that of the Hosokawa cabinet, as Hata and nine other ministers are former defectors from the Liberal Democratic Party who used to draw their financial strength from cash-heavy corporate contributors, political analysts said.

The aggregate assets held by the 10 former LDP rebels and held in the names of their family members accounted for 13.4 billion yen or 88 percent of the 15.26 billion yen held by the 21 cabinet ministers and their families.

The asset value of the Hosokawa cabinet was unusually low in comparison with previous administrations, partly because several Social Democratic Party legislators were incorporated into the cabinet lineup.

These SDP cabinet ministers stormed out of Hata's ruling coalition on April 26 after coalition strategists suddenly formed a unified parliamentary voting bloc excluding the SDP in the House of Representatives.

Labor Minister Kunio Hatoyama, a former LDP veteran, topped the list of ministers as the most wealthy minister with his KYODO-assessed asset value coming to 8.46 billion yen. Hatoyama is now an independent.

His stock holdings accounted for 5.77 billion yen, while his savings stood at 1.75 billion yen. The remaining portion comprises his real estate, and golf club membership certificates at five country clubs that could be cashed at any time.

Finance Minister Hirohisa Fujii, another ex-LDP rebel who joined Shinseito [Japan Renewal Party], ranked second with 875 million yen, followed by Foreign Minister Koji Kakizawa 542 million yen.

Kakizawa's real estate value provides an example of a gulf between the self-assessed value and the real market value.

The self-declared value of his Tokyo home, office and residential land stood at 38 million yen, while their market value came to 533 million yen, according to the KYODO probe.

The premier himself ranked 13th in the list with his asset value totaling 150 million yen. This compares with Hosokawa's 1.3 billion yen. One of the conspicuous features of his asset makeup was his investment in overseas investment trusts.

The latest announcement by the premier's office disclosed that he failed to report in 1993 debts of 70 million yen when he declared his asset value when serving as foreign minister in the Hosokawa administration.

The Hata administration initially proposed to media organizations that Hata and six other cabinet ministers who held cabinet posts in the previous Hosokawa administration be spared the obligation to declare their asset values.

The administration withdrew the proposal after it came under criticism for an alleged attempt to neglect the obligation to show public transparency regarding their personal finances.

Political analysts said the loopholes in the reporting requirement should be plugged in order to enable the public to assess the real situation concerning the personal finances of politicians.

The requirement cannot clarify the process of personal asset-amassing, such as Hosokawa's controversial purchase of 300 shares in Nippon Telegraph and Telephone Corp. which he said he helped his father-in-law buy by pledging as collateral the condominium he purchased with a 100 million yen loan from a scandal-ridden trucking group, they said.

Hata's 20 Million Yen Loan Remains 'Mystery'

OW3105085994 Tokyo KYODO in English 0835 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—Who deleted a description of a 20 million yen loan to the wife of Prime Minister Tsutomu Hata from his 1993 asset disclosure report remains a mystery, the Foreign Ministry and his financial secretaries said Tuesday [31 May].

Hata submitted to news organizations his fiscal 1994 asset report that revived the deleted description of the 20 million yen loan to his wife Yasuko from her father.

Hata's political office said although it incorporated the description of the loan in last September's report, someone removed the account from the photocopies of the report later distributed to the mass media.

"We do not know why that description was deleted from the copies of the report distributed to the press," said an official at the political office.

The office said Yasuko borrowed the money to finance part of the construction cost of Hata's private residence in Tokyo's Setagaya ward.

The deletion called into question political ethics of the premier who has been dubbed "Mr. Political Reform" since the days when Hata was a legislator of the Liberal Democratic Party (LDP), political analysts said.

Hata's financial aide, Akira Makabe, told KYODO NEWS SERVICE, "I put the account of the loan onto the report after hearing its explanation from the premier's wife and then I handed it over to Mr. Yoichi Nishizawa, who was then serving as the political secretary to then Foreign Minister Hata."

Makabe gave KYODO a photocopy of the duplicate copy of the report carrying the description of the loan, which he said has been kept at the office.

However, Nishizawa told KYODO, "although I certainly received the report from Mr. Makabe, I do not remember whether it carried the description in question or not."

"I handed over the report to the ministry bureaucracy without tampering with it," he said.

The Foreign Ministry's General Affairs Division said the report was submitted to the Prime Minister's Office after it was checked by the Ministry's Personnel Division.

When the Prime Minister's Office distributed the photocopies of the report to reporters at the press club covering the premier's official residence, the submitted report's column for loans and debts was blank, the division said.

The analysts said the description was possibly deleted by either Hata's secretaries or bureaucrats, or the description that was nonexistent on the initially compiled report was later incorporated by someone.

Both Makabe and Nishizawa admitted it is hard to believe that bureaucrats deleted the description.

Meanwhile, Makabe acknowledged deleting another description of a separate 50 million yen loan from the premier's 1993 asset disclosure report.

The description was revived in this year's report.

The aide said Hata borrowed 50 million yen from Hachijuni Bank in his constituency of Nagano Prefecture last June 25 by pledging his 261-square-meter residence in Ueda, Nagano, as collateral.

Hata needed the money to shoulder mandatory contributions to Shinseito [Japan Renewal Party], which he and his colleagues founded last June after defecting from the LDP, he said.

The money was channeled to the party from Hata's own fundraising organization, Shinwa-kai, to which Hata loaned the 50 million yen, the money he had borrowed from Hachijuni Bank.

Makabe told KYODO, "I decided not to put the description of the loan onto the report with much hesitancy, as I thought Hata's borrowing the money is almost tantamount to the Shinwa-kai's borrowing the money."

"I should have incorporated the description of the loan onto the report, as it is the money borrowed by Hata," he said.

DSP Head Likely To Resign

OW3105064594 Tokyo KYODO in English 0549 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—The head of the Democratic Socialist Party (DSP) is likely to step down soon over his part in a political maneuver that ended up leaving the ruling coalition without a Diet majority, party officials said Tuesday [31 May].

DSP Chairman Keigo Ouchi is tilting toward resigning, possibly by the weekend, and Takashi Yonezawa, party's general secretary, will probably succeed him, they said.

The DSP, a centrist component of the ruling coalition, will hold an emergency meeting of its policy-making board this week to discuss the issue, they said.

Ouchi has been under fire from rank-and-file party members and supporters for his role in creating the new Diet bloc Kaishin, which excluded the Social Democratic Party [of Japan] (SDP) [SDPJ], the largest party in the previous coalition government.

The SDPJ walked out of the coalition immediately after it helped to elect Tsutomu Hata as prime minister on April 25 as it saw the Ouchi-initiated move as a plot to reduce its influence on policy-making.

The parliamentary debacle greatly undermined Hata's political standing, and he has been the constant target of opposition calls for his resignation or snap elections since he came to office.

Ouchi has talked with the DSP leadership about the Kaishin and as a result is close to deciding to quit, party insiders said.

Party officials, however, are concerned that if Ouchi resigns to take responsibility for the Kaishin fiasco it could have unpleasant repercussions for the coalition.

Key coalition strategist Ichiro Ozawa of Shinseito [Japan Renewal Party] and former Prime Minister Morihiro Hosokawa—the other prime movers behind Kaishin—could also come under fire, they said. That would further shake the already-sputtering coalition, they said.

Some young party members, on the other hand, are demanding that Ouchi make clear his responsibility for the Kaishin debacle.

Ouchi said at a Tuesday press conference that he is still consulting party colleagues and has yet to make a final decision on the issue.

Hata Calls For Promoting Decentralization

OW3005031694 Tokyo KYODO in English 0256 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—Prime Minister Tsutomu Hata said Monday [30 May] that the independence of local governments must be strengthened to promote decentralization.

Hata was addressing the first meeting of a working group on decentralization of power under the administrative reform promotion headquarters. The working group, consisted of seven cabinet ministers and eight experts, is part of the reform promotion headquarters headed by Hata.

The headquarters, established by Hata's predecessor Morihiro Hosokawa, has set up three working groups—on housing and land, information and communications, and import promotion, market access and distribution. Hata also told the meeting that promoting decentralization is a need of the time.

The group confirmed that it aims to draw up guidelines for decentralization by the end of the year.

Panel Calls For Relocation of Capital Functions

OW2805095094 Tokyo KYODO in English 0852 GMT 28 May 94

[Text] Tokyo, May 28 KYODO—A government advisory panel studying the nation's overall development blueprint urges the government to take actual steps toward the relocation of the functions of the capital from Tokyo, according to the draft report by the panel obtained Saturday [28 May] by KYODO NEWS SERVICE.

The National Land Development Council also calls for a reprogramming of the government's development policy to enhance exchanges and alliances among regional communities, the draft report said.

The council's final report on its review on the nation's 1987 comprehensive development plan stressed the need for a reassessment of the traditional roles for the central and local governments as well as reorganizations of local communities.

The report, which should serve as the basis for the next development blueprint, is scheduled to be submitted to Prime Minister Tsutomu Hata on June 16 after approval by the council.

The report points to drastic changes in social conditions since the 1987 program, citing a declining birth rate, the dragging recession and the yen's upswing.

It advises the government to pay more attention to "exchange population," or the number of people who travel around at home or abroad.

As measures to boost local exchanges, it proposes the development of highways that connect local core cities, faster railway transportations, and new railway networks and better access to airports.

The council lauds proposed new corridors in the east and west Japan and along the Sea of Japan coastline as possible incubators for cross-regional intercourses.

In light of the increasing role that Japan should play in Asia, the report urges the creation of new economic areas surrounding the Sea of Japan or the Yellow Sea.

It also proposes nurturing "small global cities" that enjoy direct international exchanges in some specific fields.

To respond to the shift of production overseas by manufacturers and the increasing share of software industries, the report advocates the creation of higher-grade service industry through developing high-capacity, high-speed telecommunications networks utilizing the technology of optical fibers and telecommunications satellite.

The report also drew attention to environmental protection, and exhorts Japan's active involvement, not only domestically but globally, in the issue.

Failure To Open Markets Said Leading to Higher Yen
OW3005035994 Tokyo KYODO in English 0342 GMT
 30 May 94

[Text] Tokyo, May 30 KYODO—Prime Minister Tsutomu Hata said Monday [30 May] the yen could appreciate further against the dollar if Japan does not open its markets further and relax more government regulations.

Hata made the comment during a meeting with Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), at his official residence, a Keidanren official said.

Toyoda urged Hata to finish work on the long-overdue fiscal 1994 budget and carry out political reforms by redrafting the electoral map for single-seat districts.

Acknowledging deregulation is the Hata cabinet's priority, Toyoda pointed to the need to establish a system to monitor progress in relaxing government controls.

Hata replied that market opening and deregulation is a task Japan can accomplish on its own, but not one which can be done purely at the behest of foreign governments.

In other remarks, Hata reiterated that if snap elections are called, they should be held under the new system of single-seat districts.

Opposition parties are pressing Hata to resign or call snap elections as soon after the state budget goes through the Diet. They have threatened to submit a no-confidence motion against the minority Hata administration once the budget is passed.

Hata Hints Introduction of Local Consumption Tax
OW3105120694 Tokyo KYODO in English 1141 GMT
 31 May 94

[Text] Tokyo, May 31 KYODO—Prime Minister Tsutomu Hata suggested Tuesday [31 May] that the government is considering introduction of a new local consumption tax to secure funds for social welfare in the aging society.

"A decision has to be made sooner or later," Hata told a session of the House of Representatives Budget Committee reviewing the long-delayed state budget for fiscal 1994, which began April 1.

The remark showed Hata's positive stance concerning such a new tax in line with the government's tax system reform program, observers said.

Government sources said, however, that the Finance Ministry opposes the idea for technical reasons, including complicated tax-collection procedures.

A local consumption tax would increase revenues of local governments and could be used to ease the burden of medical and other costs to care for aged residents.

Backing up Hata's remark, the head of the government's tax commission, Kan Kato, told reporters commission members have agreed on the need for new revenue sources,

and the local tax idea cannot be ignored when a hike is implemented in the present 3.0 percent consumption tax.

Tax Panel Asks MOF To Compile More Tax Estimates
OW3105104194 Tokyo KYODO in English 1016 GMT
 31 May 94

[Text] Tokyo, May 31 KYODO—A government advisory panel asked the Finance Ministry on Tuesday [31 May] to compile additional estimates on planned tax reform, the panel head said.

Kan Kato, chairman of the Tax Commission, an advisory forum to the prime minister, also stressed again that the ministry's estimates are just "mechanical calculations" for the panel to scrap and paste the conditions for its own models of tax reform, including permanent tax cuts and a consumption tax hike.

But panel members were inclined to accept the 10-year maturity presented by the ministry in its estimates last Friday for stopgap bonds slated to be floated to fund the planned three-year time lag between tax cuts and hikes, Kato told a news conference after a panel meeting.

"There are arguments the longest maturity (stipulated in law) is 60 years, but many members described the 10-year redemption as a responsible stance for the financial authorities," he said.

Kato said the ministry agreed to compile estimates for a tax hike of 4 percent to 6 percent at the next meeting, but he noted the 4-6 percent tax hikes do not comply with requests made to the panel by Prime Minister Tsutomu Hata.

Hata's requests called for a net revenue increase through tax reform to fund an expected heavier burden on social welfare because of Japan's aging society.

The ministry report, submitted last Friday upon request to the panel and the ruling parties, estimates net revenues in fiscal 2000 after the 6.2 trillion yen in tax cuts are extended and the current 3 percent consumption tax is raised to 7 percent to 10 percent in April 1997.

But the ministry faced criticism over the estimates, which failed to include a tax hike to below 7 percent, a "natural" tax revenue increase, and possible effects from fiscal and administrative overhauls.

It also met criticism by setting conditions of redeeming stopgap bonds in 10 years and financing the expected increase in welfare spending entirely with the tax hike. The stopgap bonds are to fund the three-year time lag between tax cuts and the hike.

Kato said the panel also discussed the possibility of including estimates for boosting public works spending, squeezing the government burden on welfare spending, including a "natural" tax revenue increase and the effects of fiscal and administrative reforms.

But the panel found too many uncertainties to decide on anything yet, he said.

On administrative reform, Kato said he will meet Hata on Friday to confirm the government's policy.

Meanwhile, Finance Minister Hirohisa Fujii said at an earlier news conference that the estimates had no "policy implications" by the ministry, particularly in guiding decisions on a tax hike to 7 percent at least.

Fujii said the estimates omitted all items that require policy decisions.

The panel chairman said the Friday meeting also covered the issue of regional tax revenue sources with members agreeing on the need for independent taxes by local governments.

But with the panel citing technical problems in adopting regional consumption, Kato said some "political decision" is necessary.

Under the current consumption tax system, the central government levies the entire 3 percent tax and distributes 39.2 percent of the revenue to local governments.

The Ministry of Home Affairs submitted to the panel and the ruling parties its revenue estimates for local governments, featuring a revenue deficit of 5.4 trillion yen to 12.5 trillion yen in fiscal 2000 when funding heavier welfare spending under the current tax system.

The same estimates compiled by the Finance Ministry last Tuesday for the central government showed a deficit of 8.9 trillion yen to 12.7 trillion yen.

The estimates do not include the planned tax reform.

Government To Increase Domestic Rice Supplies

OW2805094994 Tokyo KYODO in English 0842 GMT 28 May 94

[Text] Tokyo, May 28 KYODO—Domestically grown grain will account for 40 percent of the 500,000 tons of rice the government plans to sell in July, ministry sources said Saturday [28 May].

The sources said the government will release 200,000 tons of domestic rice from its stockpiles in July, 50,000 tons more than was originally planned.

According to the Food Agency's new rice-supply plan, the proportion of domestic grain in the government's total supply will increase to 60 percent in August, 80 percent in September and more than that in October.

Currently, the ratio stands at just 30 percent.

The new plan will be officially adopted in early June after the agency briefs each prefecture.

Under the original plan, the ratio of domestic rice was put at 30 percent by the end of July. It was only in September that supplies of domestic grain exceed those of imports.

But following last year's devastating harvest, which forced Japan to buy foreign rice, farmers planted more early-harvested rice this year, prompting the government to add more domestic rice to its supplies in the coming months.

Some analysts are even concerned that supplies of domestic rice will become excessive from August to October, leaving large amounts of imported rice on the shelves.

A rice market official said, "if nothing is done, only domestic rice will be distributed around October and it will load wholesalers with large stocks of imported rice."

Already, some imported rice, mainly Thai rice, has been left unsold after the panic hoarding of domestically grown rice in March.

Auto Parts List Released Under Unification Program

OW3105083094 Tokyo KYODO in English 0807 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—The Ministry of International Trade and Industry (MITI) on Tuesday [31 May] unveiled a list of auto components cited by Japan's six minicar makers for a proposed parts unification program.

The program among the six carmakers—Honda Motor Co., Mazda Motor Corp., Fuji Heavy Industries Ltd., Mitsubishi Motors Corp., Suzuki Motor Corp. and Daihatsu Motor Co.—is intended to trim their manufacturing costs for a minicar or vehicle with an engine displacement of 660 cc or less, MITI said.

Unified parts will total 84 out of 20,000 items usually needed to assemble one automobile, MITI said.

The proposed unification will cover most of the important auto component systems—engines, electronics, lighting and measurement equipment, transmission, braking systems, body and attached equipment such as audio and air conditioners, MITI said.

MITI hopes parts makers will be cooperative with the industry plan, a MITI official told a news conference.

MITI proposed the latest program as a prescription for Japan's minicar makers to survive intensified price-cutting competition.

The program will help secure a stable parts supply for consumers while promoting auto parts standardization and curbing unnecessary model changeovers, the official said.

The auto and auto parts industries should formulate specific unification programs in a manner that would not cause problems under the Antitrust Law, the official said.

Transparency should be also ensured in selecting components subject to unification, the official said.

Panel Calls For Greater Spending on Infrastructure

OW2905070594 Tokyo KYODO in English 0611 GMT 29 May 94

[Text] Tokyo, May 29 KYODO—The ruling coalition's task force suggests that the government should set aside greater public works funds for improving the nation's social infrastructure to cope with a rapidly graying society.

The outline of the report, obtained by KYODO NEWS SERVICE Sunday, also says the government should consider making it mandatory to discontinue subsidies five or 10 years after they started to be given if no measures are taken to extend them.

The proposals are contained in a report worked out by a working group on public works projects and subsidies of the ruling coalition's Tax Reform Council.

The report is to be formally published early next month.

The panel is one of the four working groups the ruling coalition has created within its administrative and fiscal reform subcommittee.

The task force has since studied ways to slash public works spending and subsidies on the assumption that indirect tax rates will be raised to cope with a rapidly aging society.

On public works spending, the panel proposes that the government allocate greater funds to projects aimed primarily at improving social infrastructure, notably the quality of life.

In order to identify such projects, the coalition's committee on social infrastructure should come up with clear-cut policies, the panel says.

During discussions conducted so far, some members of the working group suggested that three government ministries and as many agencies be integrated into a public-works ministry.

The three ministries are the construction, agriculture, forestry and fisheries, and transport ministries while the three agencies are the national land, Hokkaido development and Okinawa development agencies.

The panel, however, failed to bring the matter to a conclusion because the proposal met with opposition from some members who maintained that efficiency would lower at such a large government ministry.

Government To Study Public Utility System

OW3105032894 Tokyo KYODO in English 0256 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—Japan's government ministries will examine the nation's system of public charges and compile a report perhaps by the end of June, ministers agreed Tuesday [31 May].

Economic Planning Agency (EPA) chief Yoshio Terasawa told a regular news conference that ministers at a gathering after the morning cabinet meeting agreed to his proposal that the government broadly examine the system for setting such fees.

The EPA director general said his proposal followed up a general agreement for a project team to review the system in the wake of Prime Minister Tsutomu Hata's abrupt May 18 decision to freeze rate hikes for the rest of the year.

Each ministry and agency will inspect and report on the fee system within its jurisdiction, and the cabinet councillors'

office on internal affairs within the prime minister's office will compile a general report for related cabinet members, Terasawa said.

He said the ministers have yet to decide how to handle the report but that Mori Yoshi Sato, head of the Hokkaido and Okinawa Development Agencies, asked that they finish their work by the end of June. That is when the government has vowed to complete a set of market-opening and deregulation measures.

Farm Minister Mutsuki Kato also suggested comparing Japanese fees for such services as buses, subways and electric power with those in other countries, according to Terasawa.

Three-Phase Optical Cabling Project Announced

OW3105065794 Tokyo KYODO in English 0606 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—A Japanese Government advisory panel on Tuesday [31 May] proposed a three-stage scheme to build a nationwide optical-fiber telecommunications network by 2010 as part of efforts to facilitate the shift to an information-oriented society in the next century.

The scheme would create jobs for 2.43 million people by boosting Japan's multimedia market by 56 trillion yen to 123 trillion yen by the targeted year, said the Telecommunications Council, an advisory body to the posts minister.

The council said the telecom project would help correct the over-centralization of information in Tokyo, quicken economic restructuring in Japan through the creation of new business and expand leisure time of the Japanese people as a result of an expected diffusion of "satellite" remote offices.

The scheme is also designed for the efficient use of natural resources and energy, contributing to a solution of environmental issues, one of the biggest global problems toward the 21st century.

In the recommendation presented to Posts and Telecommunications Minister Katsuyuki Hikasa, the council called for the laying of a core optical-cable network linking the prefectural capitals by 2000, in a first-phase project that would cover 20 percent of the nation's population.

A second-stage network should be built by 2005 to connect cities with populations of over 100,000 for a population coverage of 60 percent, the council said.

Nationwide hookup is set for the year of 2010 when Japan's population is expected to peak, it said.

Apart from the three-stage scheme, an optical cable network to link major public organs, like schools, libraries, hospitals and welfare facilities, should be built by 2000, accompanied by the development of application software for use at such institutions, the council said.

"Based on the council proposal, the posts ministry will push for various measures to implement the program, including further deregulation in telecom fields and an

ample amount of budgetary allocation by the Finance Ministry, an official at the posts ministry told a press conference.

Tuesday's proposal has been apparently prompted by "the information superhighway scheme" unveiled earlier by the United States.

As under the U.S. scheme, the Japanese project is expected to provide a wide range of multimedia services in the next century, which the council says would make Japanese people's livelihood "dramatically more comfortable."

As possible multimedia services under the scheme, the council cited remote medical checking, video-on-demand services, home shopping, electronic libraries, virtual reality leisure parks, interactive access to administrative information and remote education services.

The proposed optical-fiber network is projected to cost 53 trillion yen when the single-star (SS) system, the most sophisticated optical cable networking method, is used at subscribing companies and households, the council said.

The cost would be lower at 33 trillion yen if networking is done with a combination of the SS system and a less sophisticated system, a more practical approach in view of Japan's current technological level.

The council said the private sector should play a key role in developing related application software. But government support is also necessary in the initial stage of networking that focuses on infrastructure improvement.

The task of laying the core part of the fiber cable network should be basically entrusted to either telecommunications companies like Nippon Telegraph and Telephone Corp. (NTT) or cable television operators, the council said.

The posts ministry official avoided stating a specific role by NTT in the fiber project, noting that further discussion needs to be conducted to decide who should take charge of the task.

"To create a business environment that maximizes competition among various sectors would eventually serve the interest of general users," the council said.

It said interest-free loans and tax incentives should be provided to entities participating in costly infrastructure improvement projects in the scheme.

The optical-fiber network scheme is most likely to produce various social, legal and security problems that the Japanese people have rarely experienced in the past—those uniquely inherent in the nature of multimedia services.

Among them are an unintended violation of individual privacy and intellectual property rights. The legal framework should be upgraded to cope with these problems, the council said.

The council also called for the standardization of telecom equipment and systems in accordance with international standards.

The concept of "universal services" should be introduced for the new telecom scheme, in which services are equally offered across the nation at reasonable prices, the council said.

Long-Term Prime Rate May Be Cut 10 Jun

OW3005105594 Tokyo KYODO in English 1041 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—Japan's three long-term credit banks are likely to lower their long-term prime lending rate on June 10 for the first cut in six months, banking sources said Monday [30 May].

The sources said the Industrial Bank of Japan (IBJ), the long-term credit bank, and Nippon Credit Bank are expected to cut the rate charged on loans to most-creditworthy customers by around 0.2 percentage point from the current 4.4 percent per annum.

They said the cut in the rate, which affects capital spending, may help underpin the economy.

The rate was boosted in February and March due to the slump of bond prices, but the market recovered thereafter, with the yield falling, buttressed by the Bank of Japan's eased credit stance.

The yield of the May issue of bank debentures issued by the IBJ, the basis for the long-term prime rate, dropped to 3.24 percent Monday, against its coupon rate of 3.5 percent.

The coupon rate of the bank debentures is revised when the gap between it and the yield widens more than 0.2 point.

The long-term prime rate is set 0.9 point above the coupon rate of the debentures.

The sources also said the housing loan rate charged by private banks, linked to the long-term prime rate, will be left unchanged, however, due to the small scale of the cut.

Economic Index Surges Above 'Boom-or-Bust' Line

OW3105065694 Tokyo KYODO in English 0618 GMT 31 May 94

[Text] Tokyo, May 31 KYODO—The government's key economic forecasting gauge surged above the boom-or-bust line of 50 percent in March for the third straight month, the Economic Planning Agency (EPA) said Tuesday [31 May].

However, an EPA official downplayed the significance of the latest data and pointed to the need to see statistics making up the index in the coming months before deciding whether the economy is getting back on the recovery path.

The index of leading indicators, designed to forecast economic trends three to six months down the road, rose to 90.9 percent in March from a revised 54.2 percent in February.

The index was first reported at 45 percent for February. The upward revision reflects positive figures on a backlog

for construction orders and business sentiment among small and medium-sized companies, which were not included in preliminary data.

In theory, the EPA considers a reading above 50 as a sign that the economy will expand in the near future but a level below 50 as heralding contraction.

The EPA remains cautious about painting a bright picture of the state of the economy, though, since two other indexes released together with the leading index contained negative findings.

"Despite positive movements in the leading index, basic movements in the indexes reflect the fact that the national economy remains sluggish," the EPA said in a report.

The index of coincident indicators, a measure of the state of the economy, stayed above 50 percent in March for the first time in two months, rising to 90.0 percent from a revised 30.0 percent in February.

The index of lagging indicators, which gauges the economic performance in the recent past, fell below 50 percent for six months in a row, staying at 28.6 percent against a preliminary 0.0 percent in February.

Recession Boosts Unemployment to 10-Year High

OW2805093194 Tokyo KYODO in English 0837 GMT 28 May 94

[Text] Tokyo, May 28 KYODO—The prolonged recession has boosted the number of unemployed workers to a 10-year high of 1.94 million, a government report said Saturday [28 May].

The Management and Coordination Agency said the figure, based on its survey conducted in February, represented an increase of 370,000 or 23.6 percent over a year earlier.

The agency said the number of employed increased 170,000 to 62.9 million.

It said the number of jobless was the highest since 1984 when the agency began the annual survey on the labor situation.

Agency officials said the number of employed and unemployed was estimated on the basis of polls taken on about 100,000 people more than 15 years old in the survey conducted in February this year.

The survey showed that the number of unemployed on a job hunt accounted for 1.29 million, the agency said.

It said male workers who lost jobs as a result of reorganization or bankruptcies totaled 70,000, accounting for 9.1 percent of the total number of jobless males, up from the previous year's 7.8 percent.

The figure for females stood at 60,000, accounting for 11.5 percent, up from 7.0 percent the year before, the agency said.

The agency said those who were unemployed for less than three months accounted for 44.3 percent of the total, down 6.0 percentage points from the year before.

In contrast, the agency said those who were unemployed for three- six months and more than one year climbed 4.2 and 1.2 percentage points to 20.1 percent and 16.5 percent.

The survey showed that 2.53 million workers took up new jobs over the past one year, with 26.9 percent changing jobs in search of better conditions.

Those who were forced to seek new jobs as a result of restructuring and business failures increased 2.9 percentage points to 8.3 percent, the agency said.

The agency said job changing workers decreased 160,000 in the manufacturing industry and 20,000 in the whole-sale-retail and restaurant sector while those in service and construction industries increased 130,000 and 100,000, respectively.

It said 7.11 million workers said they want to find new jobs with better job security.

North Korea

Reportage on IAEA Delegation Visit Continues

KCNA Reports Departure of Team

SK2805151394 Pyongyang KCNA in English 1509 GMT 28 May 94

["IAEA Negotiating Delegation Off"—KCNA headline]

[Text] Pyongyang, May 28 (KCNA)—The negotiating delegation of the International Atomic Energy Agency headed by Demetrius Perricos, director of the division of operation of the safeguards department of the agency, which had come to the DPRK according to an agreement between Korea and the IAEA left here today by plane, wrapping up its five-day visit.

Foreign Ministry Spokesman Comments

SK2905003494 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 28 May 94

[Text] Yesterday [28 May], a spokesman of the DPRK Foreign Ministry gave the following answer to questions posed by a KCNA reporter in connection with the working-level negotiations held recently between us and the International Atomic Energy Agency [IAEA]:

Working-level negotiations were held between us and the IAEA in Pyongyang from 25 to 27 May on the question of the replacement of fuel rods at the five-megawatt experimental atomic power plant.

What was basically [kibonuro] discussed at the negotiations was the method of preserving the technical possibilities of the measurement of spent fuel rods by the IAEA in case we undergo routine and ad hoc inspections after a package solution to the nuclear issue between Korea and the United States is found in the future.

As has been reported, we are replacing the fuel rods in a unique status following the temporary suspension of the effectuation of our withdrawal from the Nuclear Nonproliferation Treaty. Under such circumstances, we cannot allow routine and ad hoc inspections by the agency. But, we have clarified our stance of good will for fully ensuring the continuity of safeguards corresponding to our unique status and for replacing fuel rods in such a way as to preserve even technical possibilities of selected measurement of fuel rods in the future.

The United States, the main [kibon] party concerned with the solution of the nuclear issue, also appraised this as encouraging and expressed to us the hope that its method would be discussed with the IAEA.

At the negotiations, the agency, first of all, raised the method of selected and separated preservation of fuel rods. But, an understanding was reached between the two sides that it was not acceptable in principle because this was essentially an inspection activity falling under the category of ad hoc inspections and going beyond our unique status.

Hence, the negotiations focussed on the reasonableness of the method we are applying to the replacement of fuel rods.

Our side earnestly explained that this is an appropriate method of sufficiently ensuring technical possibilities of freely measuring selected fuel rods as demanded by the agency by the time when our unique status is dissolved in the future, while guaranteeing the continuity of safeguards in conformity with our unique status at the present stage.

And we also ensured all conditions for the agency delegates to go down to the spot and confirm the conditions and work there and have sufficient technical consultations with the operators of the facilities while the negotiations were under way, thereby helping them have a clear understanding of the reasonableness of our-style method.

The agency side took note of the fact that this method of ours is theoretically feasible and that it has already been experimentally confirmed, and requested us to arrange its content in writing, saying that the agency side would study with prudence [sinjunhage] the efficiency and practical safeguards of our-style method with good will.

We stressed that though this method will enlarge a little the amount of measurement, it is the only way for us to adopt under the present conditions in which political restrictions exist. We guaranteed [tambohayotta] that we would continue the replacement of fuel rods in such a way as to accept a series of opinions of the agency side concerning this method and would respond any time to the agency side's future proposals for holding negotiations.

At the negotiations, a final agreement was not reached on our-style method, but this method was further supplemented and perfected through the process of negotiations. We immediately applied this method to the replacement of fuel rods so that the possibility of future selected measurement of fuel rods could be more fully preserved, and we are also placing the process of all work process under a strict

supervision of the agency inspectors and monitoring [kamsi] equipment of the agency.

We acknowledge that through the negotiations with the IAEA side and the monitoring [iphoe] activities of the agency concerning the replacement of fuel rods of this time, our good will to place the peaceful nuclear activities thoroughly under the control of the agency was manifested to the maximum.

In the future, too, we will make active efforts to ensure the transparency of our nuclear activities and do everything to find an ultimate [chonggukjok] solution to the nuclear issue through the Korea-U.S. talks.

KCNA on Foreign Ministry Comments

SK2805152994 Pyongyang KCNA in English 1521
GMT 28 May 94

["FM Spokesman on Working Negotiation Between DPRK and IAEA"—KCNA headline]

[Text] Pyongyang, May 28 (KCNA)—A spokesman of the Foreign Ministry of the Democratic People's Republic of Korea on May 28 answered a question put by KCNA on the working negotiation held recently between the DPRK and the International Atomic Energy Agency.

He said:

A working negotiation was held in Pyongyang from May 25 to 27 between the Democratic People's Republic of Korea and the International Atomic Energy Agency (IAEA) on the question of the replacement of fuel rods at the 5 megawatt experimental atomic power station.

The main question discussed at the negotiation was the method of preserving the technical possibilities of the measurement of spent fuel rods by the IAEA in case the DPRK undergoes routine and ad hoc inspections with a package solution of the nuclear issue between the DPRK and the United States in the future.

As has been reported, we are refueling the reactor in a unique status following the temporary suspension of the effectuation of our withdrawal from the Nuclear Nonproliferation Treaty. Under this condition, we cannot allow routine and ad hoc inspections by the agency. But we have clarified our stand of good will for fully ensuring the continuity of safeguards corresponding to our unique status and for replacing fuel rods in such a manner as to preserve technical possibilities of selected measurement of fuel rods in the future.

The United States, the main party concerned with the solution of the nuclear issue, also appraised this as encouraging and expressed to us the hope that we would discuss its method with the agency.

At the negotiation, the agency, to begin with, raised the method of selected and separated preservation of fuel rods. But, an understanding was reached between the sides that it was not acceptable in principle for it was essentially an

inspection activity falling under the category of ad hoc inspection and going beyond the unique status of the DPRK.

Hence the discussion was focused on the reasonableness of the method now applied by the DPRK to the replacement of fuel rods.

The DPRK side earnestly explained that this is an appropriate method of sufficiently ensuring technical possibilities of freely measuring selected rods as demanded by the agency when the unique status of the DPRK is dissolved in the future, while guaranteeing the continuity of safeguards to suit its unique status at the present stage.

And we ensured all conditions for clearly understanding the reasonableness of our-style method by allowing the agency delegation to go down to the spot and confirm the conditions and work there and have sufficient technical consultation with the operators of the facilities while the negotiation was on.

The agency side took note of the theoretical feasibility of this method of ours and its experimental confirmation and requested us to arrange its content in writing, promising us to profoundly study the efficiency and practical safeguards of this method of DPRK style with good will.

We stressed that though this method will enlarge a little the amount of measurement, it is the only way for us to adopt in view of the present conditions of political restrictions. We promised that we would continue the refueling of the reactor in such a manner as to accept a series of opinions of the IAEA side concerning this method and would respond any time to negotiation that might be proposed by the IAEA side in future.

At the negotiation, a final agreement was not reached on the DPRK-proposed method, but this method was supplemented and perfected through the negotiation. We immediately applied this method to the refuelling of the reactor so that the possibility of selected measurement of fuel rods could be increased, and we are placing the process of all work under a strict supervision of the IAEA inspectors and monitoring cameras.

We consider that through the negotiation with the IAEA side and the monitoring activities of the IAEA inspectors concerning the refueling of the reactor, our good will to place our peaceful nuclear activities strictly under the control of the IAEA was fully manifested.

We will actively strive to ensure the transparency of our nuclear activities and do the utmost as ever to find a final solution to the nuclear issue through the DPRK-USA talks.

'Slanders' on Fuel Rods Replacement Alleged

SK2805062194 Pyongyang KCNA in English 0613 GMT 28 May 94

["Obstruction to Replacement of Fuel Rods Denounced"—KCNA headline]

[Text] Pyongyang, May 28 (KCNA)—NODONG SINMUN today refutes the slanders persistently hurled by

sedition forces at the refueling of the 5 megawatt experimental atomic power station of the DPRK.

The analyst says:

They are demanding the selected separation of fuel rods and sampling. This is intended to invent a new pretext for claiming credit for the inconsistency faked by them by forcing the DPRK to fully implement the safeguards agreement, ignoring its unique status.

We can never allow this under the present condition, no matter what others say and what a counteraction they may take.

The United States and the International Atomic Energy Agency (IAEA) have practically recognized the unique status of the DPRK after the temporary suspension of the effectuation of its withdrawal from the nuclear Non-proliferation Treaty. They recognized it only yesterday and ignore it today, attempting to reverse it. This is a shameless act of denying what they have just said in order to attain their sinister aim.

It is utterly nonsensical to tell us to suspend the refueling of the reactor. We had frozen the operation of the graphite moderated reactor, suffering enormous economic losses, in the hope that the DPRK-U.S. agreement on its conversion into a light water reactor would be implemented.

However, the third round of the DPRK-U.S. talks ended abortive and the prospect of the implementation of the agreement became dim owing to the perfidy of the United States. Under this condition, we cannot allow ourselves to suffer unilateral economic losses by freezing the operation of the graphite moderated reactor.

And to tell us to stop the replacement of fuel rods halfway is as good as urging us to reconcile ourselves to the danger of radioactive leakage.

As regards the refueling of the reactor, we informed the agency of it five times, urging it to be present on the scene and take necessary measures including the removal of the seals. The current refueling is taking place under the strict watch of the inspection cameras installed by the agency and the fuel rods are placed under the surveillance of the agency as soon as they are taken out. Thus, the replacement of fuel rods is being carried on from a fully justifiable position.

Nevertheless, they demand that we suspend the replacement of fuel rods. This means that we should comply with their demand, braving colossal economic losses and formidable danger. How can we accept their demand?

The United States and the agency should feel themselves responsible for the impasse where the solution of the nuclear issue on the Korean peninsula has reached today and put their heart and soul into its removal.

The most reasonable solution to the issue is to preserve all the replaced fuel rods under the surveillance of the agency and measure them when the nuclear problem is solved in a package deal in the future. Then the nondivergence of the fuel rods replaced this time for another purpose will be

guaranteed and the uprightness of our past nuclear activities be verified through the measurement of all the fuel rods.

It is an arrogant stance to insist that anyone must accept their demand, though wrong.

The international seditious forces must act reasonably, clearly knowing that their untenable demand may lead the situation to a more complicated phase.

Comments on Country's 'Unique Status' on NPT
SK2905084994 Pyongyang KCNA in English 0840
GMT 29 May 94

["Attempt of Seditious Force To Undermine DPRK's Unique Status"—KCNA headline]

[Text] Pyongyang, May 29 (KCNA)—The Russian ambassador to South Korea, Kunadze, recently contended that the Democratic People's Republic of Korea "must observe all its obligations under the Nuclear Nonproliferation Treaty [NPT], since it is its signatory."

Commenting on this, NODONG SINMUN today says that Kunadze and others who view the matter this way are, without exception, persons who ignore hard facts, swayed by prejudice.

The analyst says:

The DPRK Government decided to withdraw from the NPT on March 12, 1993, according to paragraph 1, article 10 of the treaty to defend the supreme interests of the state. Later, it temporarily suspended the effectuation of this withdrawal. It is a political commitment we made to the United States for the sake of the DPRK-U.S. talks and it does not mean our return to the treaty. Therefore, we are not under obligation to fulfill the treaty as its signatory. Practically, we have undergone only an inspection suited to our status following the temporary suspension of the effectuation of our withdrawal from the treaty on June 11, 1993.

Our unique status has been recognized by the United States and the secretariat of the International Atomic Energy Agency. In actuality, the world recognizes our unique status.

To ignore our unique status and refuse to recognize it is motivated by the sinister purpose of creating the impression that we remain in the treaty with a full status, not using the word of return to it, and thus finding a pretext of interference and pressure and stifling our Republic. And Kunadze has joined in it, we dare say. We cannot but pay a special attention to the fact that the clamor for denying our special status timed to coincide with the refueling at our 5 megawatt experimental atomic power station.

Our unique status is not dissolved, even if some quarters deny and refuse to recognize it. This unique status is not what we wanted, but was imposed on us by the United States and the agency.

We do not intend to maintain the unique status forever. It will be dissolved when DPRK-U.S. talks open and a package solution is achieved.

Remarks by ROK Unification Minister Denounced
SK2805114194 Pyongyang KCNA in English 1058
GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—A spokesman of the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued a statement today denouncing the undisguised moves in South Korea against the denuclearisation of the Korean peninsula.

The "unification minister" of South Korea, groundlessly vilifying the North at the "foreign affairs and unification committee of the National Assembly" on May 23, said "the North-South joint declaration on denuclearisation has become invalid in actuality" and declared they would "discuss the declaration from a new angle."

The statement brands these remarks as an open perfidy to the North and an unpardonable anti-national criminal act making the prospect of North-South relations gloomier, saying: "They meant a unilateral nullification of 'joint declaration on the denuclearisation of the Korean peninsula' adopted and effectuated between the North and the South."

"The arbitrary abrogation of the joint declaration vital to the nation is a very grave challenge which endangers peace in the country and the security of the nation," the statement says, and continues:

"With no excuse can the South Korean authorities justify their act of abrogating the declaration, taking issue with the North. There is no justification for the South Korean authorities to slander the North over the fictitious 'nuclear issue', while keeping mum about the U.S. nuclear weapons deployed in South Korea for scores of years.

"It is not fortuitous that they unilaterally scrapped the hard-won joint declaration on denuclearisation.

"Truth to tell, the South Korean authorities have never been interested in the denuclearisation of the Korean peninsula.

"At a time when the uprightness of the North's nuclear policy is being proved more clearly, the South Korean authorities openly nullified the declaration, blaming the North. Their main purpose in this is to remove the declaration which stands in the way of their nuclear arms development and openly promote it.

"But the South Korean authorities must ponder over what serious impact their perfidious nullification of the declaration will have on the North-South relations in the future and what catastrophic influence their reckless attempt to promote nuclear arms development, free from the declaration, will have on the situation in the Korean peninsula and northeast Asia.

"They will have to bear full responsibility for all the consequences arising from their nullification of the declaration."

Remarks Said 'Treacherous Crime'

SK3005052794 Pyongyang KCNA in English 0509 GMT 30 May 94

["Unpardonable Perfidy"—KCNA headline]

[Text] Pyongyang, May 30 (KCNA)—It is a most heinous crime which can never be justified that the South Korean puppets scrapped the joint declaration on denuclearisation, hurling groundless slanders at the North, declares NODONG SINMUN today.

The analyst says:

The South Korean puppet unification minister, Yi Hong-ku, at the "National Assembly Committee of Foreign Affairs and Unification" recently, heaped abuses on the North and said "the North-South joint declaration on denuclearisation has already been nullified in actuality," stating that the South "will discuss it from a new angle."

This meant that they unilaterally scrapped the "joint declaration on the denuclearisation of the Korean peninsula" adopted by the North and the South and declared its abrogation. This is a treacherous crime never to be condoned and an open perfidy and malicious challenge to the North which has made all sincere efforts for the denuclearisation of the Korean peninsula.

The Kim Yong-sam group, after grabbing power, has hastened the development of nuclear weapons and engaged themselves in well-planned maneuvers to nullify the joint declaration on denuclearisation, a hurdle in its way. Practically, the Kim Yong-sam traitor group is making haste with the development of nuclear weapons in full scale under the "nuclear umbrella" of outside forces, trampling upon the joint declaration.

Not much penetration is needed to see why they openly declared the nullification and renunciation of the joint declaration on denuclearisation at a time when the uprightness of the North's nuclear policy is being proved more clearly. They seek to accelerate the development of nuclear weapons, unhindered, by destroying the joint declaration which stands in the way of their introduction of nuclear weapons and development of their own nuclear arms.

The Kim Yong-sam group will have to bear full responsibility for all the consequences arising from its perfidy in reducing "joint declaration on the denuclearisation of the Korean peninsula" to a dead letter.

'50,000 College Students' Rally in Kwangju

SK2905112094 Pyongyang Korean Central Broadcasting Network in Korean 1015 GMT 29 May 94

[Text] This is news that has just come in. Today about 50,000 college students staged fierce antigovernment and anti-U.S. rallies and marches in Kwangju. They demanded

the punishment of former rulers who carried out bloodshed oppression of Kwangju uprisers who demanded democracy in 1980.

Keeping in mind Chon Tu-hwan and No Tae-u, former presidents from the military, the students shouted, "These rascals must be punished." The students pursued a judicial step against these two former presidents over the responsibility of massacring at least 200 people while repressing the Kwangju uprising.

The protesters condemned the United States for having played a certain role in this repression, and stressed that Washington approved this tacitly. Although the United States denied this, protests regarding the Kwangju uprising always had a deep anti-U.S. nature.

The students hung a large U.S. flag this morning, and burned it by shooting a blazing arrow. The police said that they will block the students' march at a point 100 meters away from the U.S. Cultural Center.

Although there was no immediate report on clashes in today's rally, the atmosphere in the venue of the rally was grave [homak].

Some students were carrying iron pipes and fire bottles. Police did not appear in the site as if not to irritate the feeling of the participants in the rally.

The rally in Kwangju was held on the second day of the annual meeting of the student organization embracing students throughout South Korea.

On 28 May, about 30,000 students held a peaceful rally in the playground of Choson University in Kwangju. Approximately 15,000 policemen were deployed in town. But they watched the rally from a distant place.

In addition to their appeal for judicial steps against Chon Tu-hwan and No Tae-u, the students are opposed to the opening of South Korean rice markets. They are also demanding the withdrawal of U.S. troops from the Korean peninsula.

The students asserted that the agreement on opening of South Korean rice markets was made by the U.S. pressure.

'Strained Situation' Blamed on Outside Forces

SK3005104694 Pyongyang KCNA in English 1032 GMT 30 May 94

["NODONG SINMUN Raps Kim Yong-sam Group's Flunkeyist Treacheries"—KCNA headline]

[Text] Pyongyang, May 30 (KCNA)—The acute and strained situation of the Korean peninsula is a product of outside forces' policy of aggression and the flunkeyist and treacherous policy of the Kim Yong-sam regime, which is prolonging its days by clinging to their coattails, says NODONG SINMUN in a by-lined article today.

The traitor Kim Yong-sam, who swore an oath to serve the United States, is zealously toeing the master's policy of aggression and war and working for the latter's interests, the article says, and continues:

Depending on the American master for its survival, the Kim Yong-sam group is entreating him for "protection" and for the permanent presence of U.S. Forces in South Korea. The puppets have never let a chance pass by without describing the U.S. Forces in South Korea as "a deterrent to war" and "apostle of peace." They are making no bones about donating billions of dollars every year for keeping the U.S. troops in South Korea.

Not contented with this, they have left South Korea as a test ground of "the new military strategy" of the U.S. Forces and a military intelligence base against the North.

The Kim Yong-sam regime is, indeed, a group of traitors trying to slay the fellow countrymen in the North with the sword of outside forces. The puppets are trying to stifle the North, serving as a shock brigade in the nuclear clamour of the imperialist reactionaries.

There have been no small number of traitors in South Korea. But there has never been such a fellow as the traitor Kim Yong-sam who is running about so desperately to slay fellow countrymen with the help of outside forces. The Kim Yong-sam's is really a group of traitors outstripping their predecessors, traitors without an equal.

Kim Yong-sam's Reform Policies Denounced

SK3105045294 Pyongyang KCNA in English 0424 GMT 31 May 94

["Truculent Fascist Dictator Under 'Civilian' Mask"—KCNA headline]

[Text] Pyongyang, May 31 (KCNA)—NODONG SINMUN today carries a by-lined article titled "Truculent Fascist Dictator Under 'Civilian' Veil."

Though the traitor Kim Yong-sam has paid lip-service to "democratic politics" and "reformed politics" since he came to power, he, in actuality, has pursued more cruel repressive politics than the preceding military fascist dictators', the article says, and continues:

The puppet beefed up the riot police by 17,000 men in his first days in power and then by nearly 40,000 men of hundreds of companies up to now. "Special detective teams" have been installed at police stations throughout South Korea and more than 1,500 "patrol cars 112" and other repressive equipment have been additionally deployed there.

Now the notorious "National Security Law" remains unchanged and such repressive tools as "the Security Planning Board," "the secret affairs command" and "the police agency" have been further expanded and strengthened in South Korea. This proves that the traitor Kim Yong-sam is a truculent fascist dictator wearing the "civilian" mask.

The fascist clique have defined the South Korean Federation of General Student Councils (Hanchongnyon), the successor to the National Council of Student Representatives (Chondaehyop), as "a pro-North organization" and

"an organization benefiting the enemy." They made abortive by force the talks between students in the North and the South and the fourth pan-national rally in Seoul in June and August last year and, worse still, they arrested hundreds of students on the spot and jailed the chairman of Hanchongnyon and many other core elements of the student movement on the charge of violations of the "National Security Law."

The fascist clique have also suppressed the struggle of the workers for vital rights and democratic freedom by invoking even "the emergency arbitration power," which the preceding dictators had not dared employ.

When peasants and people of other strata and students demonstrated against agricultural market opening on February 1, the Kim Yong-sam group mobilized 130 companies of riot police more than 15,000 strong and let them fire multiple teargas canisters at the demonstrators, leaving many of them wounded, and walk off some 400 demonstrators.

There is nothing to be expected from the Kim Yong-sam fascist regime. It is only too clear that with this regime left alone, it is impossible to meet the demand of the people for independence, ensure their democratic rights and achieve national reunification.

Kim Yong-sam's Tour of Frontline Area Condemned

SK2905080294 Pyongyang Korean Central Broadcasting Network in Korean 0700 GMT 29 May 94

[Text] According to a broadcast report from Seoul, traitor Kim Yong-sam on 27 May toured a combat fighters corps, the headquarters of an army division in the frontline area, and the headquarters of a Navy fleet. He babbled that an impregnable guard posture against North Korea should be assumed.

This warmonger, wearing a mask of civilian politics, also raved that now is a very dangerous time, one should have strength, and so forth. He had fighters stage an emergency mobilization training, and inspected the guard posture of the puppet army units against North Korea in the frontline area. Thus, he frantically ran amok to instigate war fever.

Traitor Kim Yong-sam's tour of frontline areas this time was a thoroughgoing war junket aimed at confirming the posture of readiness of the puppet army for a northward aggression and at provoking a war against us at any time.

Papers Denounce Inspection Visit

SK3105050094 Pyongyang KCNA in English 0429 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—Papers here today denounce the traitor Kim Yong-sam for whipping up a war fever during his "inspection" of units of the puppet ground, naval and air forces.

An analyst of NODONG SINMUN says:

The traitor Kim Yong-sam recently "inspected" units of the puppet Army and incited confrontation and war, crying for "establishment of an iron-wall alert posture

against the North." This fully revealed the treacherous nature of the "civilian" warmonger who seeks a way out in opposing fellow countrymen in collusion with outside forces.

The traitor is these days letting no chance pass by without giving a shriek, as if invasion from the North were imminent. But no one lends an ear to his outcry reminding one of the guilty party filing the suit first.

The Kim Yong-sam group is openly having confabs with bellicose quarters of the United States for a war against the North and unhesitatingly talking about "retaliatory punishment" and "opportunity of unification," while raising outcries over "nuclear suspicion" against the North.

The South Korean puppets have even worked out with the United States a war scenario against the North codenamed "New Operation Plan 5027." Judging from this, their current movements are very ill-boding.

The traitors bereft of reason, driven to a blind alley, might ignite a war any moment. However, it cannot be a way out for them but will only precipitate their own destruction.

A MINJU CHOSON analyst warns: The Korean people and People's Army are always vigilant against the military moves of the puppets and, if they attempt to harm fellow countrymen in collusion with outside forces, will sternly punish them.

'Hysterics' of 'Warmonger' Noted

*SK3105090494 Pyongyang Korean Central
Broadcasting Network in Korean 1225 GMT 30 May 94*

[Commentary by Yun Pyong-son: "Hysterics of the Warmonger"]

[Text] According to reports, on 28 May, the traitor Kim Yong-sam instigated a war mood while visiting a puppet combat air corps, an Army unit in the eastern front line, and a Navy fleet headquarters in succession.

Saying that it is possible to maintain peace on the Korean peninsula only when they [South Koreans] are strong, he ordered soldiers to be put on air-tight alertness, to make every preparation for anti-aircraft alertness, and so on. This is a deliberate maneuver to further aggravate the situation on the Korean peninsula made tense by them, and plainly shows their frenzy for a war of northward invasion.

The puppet traitor blared as if we were about to make a sudden raid on the South, saying that this is a very dangerous time. This is a shameless preposterous sophistry, like an act of a thief raising a hue and cry.

Who is in fact making the situation tense and increasing the danger of war on the Korean peninsula? It is needless to say that it is the U.S. imperialists and the U.S. stooge, the Kim Yong-sam puppet clique itself.

As was reported, the U.S. imperialists have brought Patriot missiles and Apache attack helicopters into South Korea under the pretext of our so-called nuclear issue and has

now put the aircraft carrier Independence in a location at sea from which it may take one week or less for the aircraft carrier to arrive to the Korean peninsula.

In the meantime, the U.S. ruling classes are making the belligerent outburst that they should make an air raid on our nuclear facilities for peaceful purposes or attack them with cruise missiles. Following their U.S. master's war maneuver, the puppets put the puppet armed forces on a state of alert and are watching for a chance to invade the North.

What the puppets mean by peace is that they would provoke a war of northward invasion, and what they mean by strength to be increased is that they would further strengthen preparations for a war of northward invasion.

These facts clearly prove that only northward threats, not southward ones, exist on the Korean peninsula and that it is none other than the U.S. imperialists and the Kim Yong-sam puppet clique who try to provoke a war.

Traitor Kim Yong-sam, however, talked about being alert against us. This shameless trick [paryomchihan sujak], like an act of a thief raising a hue and cry, has revealed his vicious intention to push the puppet armed forces out to a war of northward invasion by aggravating the situation.

Traitor Kim Yong-sam, with a civilian mask, is indeed a more vicious warmonger than military gangsters although he is wearing civilian clothes. He takes no regard for peace or for the country's reunification. Puppet Kim Yong-sam's instigation of a war mood is nothing but hysterics of one who has lost reason.

As everyone knows, the puppets have been frenzied in carrying out war preparations while stirring up a commotion over our nuclear issue. Our nuclear policy, however, has proved more clearly to be innocent as days go by, while the slanderous nature of the puppets' nuclear commotion has been exposed to the light of day.

The South Korean people are vigorously waging the anti-U.S., antiwar, and antinuclear struggle, and their willpower for independent reunification is rapidly growing.

Embarrassed by this, the puppets are trying to turn the growing struggling spirit of the people to the South-North confrontation by any means so that they can realize their scheme for a war. One can guess how much he was embarrassed from the fact that traitor Kim Yong-sam busied himself visiting puppet units after giving up keeping appearances.

It is natural that those who have been driven into a corner make all frenzied attempts. Such maneuvers, however, will only expose the true nature of warmongers, splittists, and will only result in hastening their own ruin.

Nothing can block the nation's grand march toward peace and reunification. The Kim Yong-sam puppet clique should look straight at the trend of the time and behave discreetly.

ROK Foreign Minister Southeast Asia Tour Noted

*SK2705150094 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 27 May 94*

[Text] According to reports, South Korean puppet Foreign Minister Han Sung-chu recently went to a certain country in the Southeast Asia and made an ugly and mean scene by begging the country to take the role of mediator between the United States and the DPRK in the resolution of the North's nuclear issue.

Here lies an insidious attempt of the puppets to complicate the issue by sending a mediator to the talks between us and the United States for the resolution of the nuclear issue on the Korean peninsula.

No Mediator Seen Needed for Talks With U.S.

*SK2805055994 Pyongyang KCNA in English 0545
GMT 28 May 94*

["Unseemly Act of Puppet"—KCNA headline]

[Text] Pyongyang, May 28 (KCNA)—The South Korean puppet foreign minister, Han Sung-chu, recently flew to a Southeast Asian country and entreated it to play "the role of a mediator between the United States and the DPRK in the solution of the nuclear issue of the North", according to a report.

Lurking behind it is a sinister attempt of the puppets to create complexity by inveigling "a mediator" into the DPRK-U.S. talks for the solution of the nuclear issue on the Korean peninsula.

The DPRK-U.S. talks has not made a smooth progress because the United States reversed the New York agreement and deliberately laid obstacles to the solution of the nuclear issue.

There is no doubt that a bright prospect will open before the talks, if the United States stop the international campaign for pressure on the DPRK and sincerely approach the DPRK-U.S. talks, though belatedly, and the South Korean puppets do not try to thrust its nose into it and obstruct it. Hence, it is as clear as noonday that no "mediator" is needed between the DPRK and the United States in solving the nuclear issue on the Korean peninsula.

Han Sung-chu, however, brought forward the question of "mediator" who is not needed at all in the solution of the question during his foreign trip. This shows well how persistently the puppets are trying to put a spoke in the wheel of the DPRK-U.S. talks again.

Facts clearly prove that the Kim Yong-sam group is, indeed, a group of traitors who are working round the clock to encumber the DPRK-U.S. talks for the solution of the nuclear issue on the Korean peninsula, roaming aimlessly.

The South Korean puppet clique must stop the anachronistic act, squarely facing the trend of the times.

U.S. 'Ambition To Dominate Asia' Denounced

*SK2805104994 Pyongyang KCNA in English 1024
GMT 28 May 94*

["Ambition for Domination Over Asia Cannot Be Realized" KCNA headline]

[Text] Pyongyang, May 28 (KCNA)—The U.S. imperialists' wild ambition to dominate Asia can never be realized, stresses NODONG SINMUN in a signed article today.

The United States is trying to break up and stifle socialist countries in Asia with its "peaceful transition" strategy as well as its policy of "strength" and put other non-socialist countries under its control by applying the American view of value, but it is met by a storm of objections in these countries, the paper notes, and goes on:

The United States has got nothing from its anti-socialist moves.

The Korean people have firmly defended socialism, their life and soul, pushing aside the U.S. strategy of "peaceful transition". The U.S. strategy of "peaceful transition" to isolate and stifle Asian socialist countries and revive capitalism has become impotent.

It has also failed in its maneuvers against Asian countries which aspire after independence.

In recent years the spirit of independence has grown in Asian countries and there are such positive movements as promoting bilateral and multilateral cooperation in various fields and taking joint steps in external relations. This is a reflection of the aspiration of people to develop independently free from the domination and intervention of the imperialists.

Developing countries in Asia are rejecting the West's "standard of human rights", saying "it cannot be a model." They are also rejecting the "democracy" of American style, saying "it is not suitable for them."

The Asian people are maintaining their mental and cultural traditions, turning down "freedom" and "democracy" of American style.

All facts show that whatever means and ways the United States may apply, it can never stamp out socialist countries and developing countries in Asia.

Remarks by U.S. 'Hardline' Faction Denounced

*SK2805142594 Pyongyang Korean Central
Broadcasting Network in Korean 1225 GMT 28 May 94*

[Commentary by station commentator Kim Ho-sam: "Dangerous Military Moves"]

[Text] According to the recent issue of the British weekly magazine specializing in military affairs, JANE'S DEFENCE WEEKLY, U.S. Defense Secretary Perry handed out a directive to the U.S. aircraft carrier, Independence, to assume an alert posture in the area from which it can reach the Korean peninsula within a week.

Reporting this, the paper wrote that this step is designed to promptly cope with the crisis if it emerges on the Korean peninsula. Such a report by the British paper specializing in military affairs is not an accident at all.

As has been known, the hardline conservative faction in the U.S. Congress and Government, and impure forces who collaborated with international reactionaries recently made intolerable, violent, and bellicose remarks one after another on the pretext of our so-called nuclear issue.

Concerning the replacement of nuclear fuel rods in our experimental nuclear power station, the U.S. hardline conservative faction raved that we should suspend the replacement, the International Atomic Energy Agency should choose fuel rods and keep them separately, and so forth. Thus, it raised a unreasonable [ichie matti annun] demand.

As we refused this demand, U.S. Senator McCain on 24 May made violent remarks at the Senate that North Korean nuclear facilities should be air raided or attacked with cruise missiles.

Moreover, U.S. Vice President Gore, stating that continuously holding talks with North Korea is dangerous, said that so-called security steps taken by the United States for South Korea are all wise. The wise steps he referred to mean the Patriot missiles and Apache offensive helicopters that were deployed in South Korea some time ago.

At a time when the U.S. hardline conservative faction openly calls for attacking the experimental nuclear power station in our country, the U.S. defense secretary is attempting to launch and put a mobilization posture on the carrier Independence in the area close to the Korean peninsula. This illustrates that the United States has not discarded at all the ambition to crush [apsal] the popular mass-centered socialist system of our own style by means of force and by mobilizing all of its Navy and Air Force on the pretext of our nuclear problem.

As has been known, the carrier Independence is an ultra-large carrier based in Yokosuka, Japan after replacing the Midway some time ago. This carrier has experience in directly participating in landing exercises on the sea off Pohang when the Team Spirit joint military exercise was staged in 1991.

The United States is planning to deploy this ultra-large carrier in the sea close to the Korean peninsula. This proves that the U.S. bellicose circles are going to launch a surprise attack on our Republic at a certain time [ku onuttae kasonun] on the pretext of so-called nuclear development in collusion with Japanese Self-Defense Force troops that are concentrated in western Japan facing the Korean peninsula.

What we should not overlook in particular is that the directive of the U.S. defense secretary is to be executed during the period of Rimpac training which continues from the end of May until mid-July.

As was already reported, during the period of Rimpac training, the United States will organize a joint fleet with

the Japanese naval self-defense force and the South Korean puppet navy for the first time since this military training started in 1970, and will carry out joint operations with them.

Concerning the plan of U.S. Navy, the Japanese naval self-defense force, and the puppet South Korean navy to organize a joint fleet and to stage the Rimpac training, the director-general of the Japanese Defense Agency openly stated that this plan will serve as a political message against the North Korean nuclear plan. This clearly shows that this joint fleet is aiming at our Republic.

The fact that under this situation, the carrier Independence will move to an area close to the Korean peninsula and be placed on alert status shows that the tripartite military alliance system between the United States, Japan, and South Korea is actually in motion.

Because of such policy for crushing the DPRK by the United States, a very dangerous situation is prevailing on the Korean peninsula. This arouses deep concern among the peace-loving people of the world. The people of the world wish that the nuclear problem on the Korean peninsula be resolved peacefully through dialogue and negotiations. However, the U.S. hardline conservative faction is continuously scheming to carry out adventurous military action.

However, this is not beneficial to the United States itself, nor will this situation advance as the United States wants [kurona kugosun miguk chacherul wihaesodo iropchi mot-tamyo, ttohan migugui uidodoeronun kyolko toeji annul kosimnida].

The U.S. policy for crushing the DPRK is very harmful from the standpoint of not only U.S. interests but also of peace and security of Northeast Asia. The U.S. attempt to crush us by means of force is a great mistake.

We are prepared for war and for negotiations. The United States should not adhere to adventurous military action, but had better act with discretion.

U.S. Development of 'New' Missiles Denounced

SK2905083494 Pyongyang KCNA in English 0827 GMT 29 May 94

[“NODONG SINMUN Condemns U.S. New Missile Development Program”—KCNA headline]

[Text] Pyongyang, May 29 (KCNA)—The U.S. Defense Department is now going ahead with the program for developing a latest-type missile to detect and destroy the missiles “hidden underground” in the North of Korea.

NODONG SINMUN today says this is a typical expression of the arrogance of the United States, which has customed to encroach upon the sovereignty of other nations.

The detection and destruction of military equipment of other countries are an unilateral exercise of armed forces against sovereign states and a gross infringement on their sovereignty, the analyst says, and continues:

The program is aimed at making a forestalling attack on the DPRK and stifling it.

The U.S. authorities' talk about "nuclear nonproliferation" is a sophism for strengthening its military predominance, the nuclear supremacy and justifying the military terrorism and invasion against the nations out of their favor.

The acceleration of a new-type missile development by the U.S. conservative hardliners under the cloak of "nuclear nonproliferation" can never be justified in every respect.

As for the nuclear proliferation, its chief culprit is none other than the United States. The United States has produced a large number of nuclear weapons and deployed them in different parts of the world. And it has helped Israel, Japan and South Korea in nuclear armament, conniving at it.

"Nuclear nonproliferation" cried for by the U.S. authorities is nothing but a veil for covering up their crimes in nuclear proliferation and justifying their nuclear monopolization and the development of sophisticated weapons.

The acceleration of the program for developing a latest-type missile may drive to a more dangerous phase the Korean situation which remains acute. The United States must be held wholly responsible for the possible consequences.

We are keeping tabs on the moves of the United States.

The United States must promptly give up the inconsiderate program for developing new-type missile against the DPRK.

U.S. Peacekeeping 'Guideline' Denounced

SK3005051494 *Pyongyang KCNA in English* 0503
GMT 30 May 94

["'Guideline' for Military Intervention"—KCNA headline]

[Text] Pyongyang, May 30 (KCNA)—NODONG SINMUN in a by-lined article Sunday says the "UN Peacekeeping Operation [PKO] Guideline" published by the United States some time ago is aimed at going ahead with military intervention and establishing domination and control over the world by using the United Nations, while evading losses in a more cunning way.

The article reads in part:

The U.S. president retracted the call for founding a "UN standing Army" which he had made during his election campaign, and worked out and published a new policy on the "UN PKO". This is connected with their interests and also with the repeated failures of U.S. Forces- led "UN peacekeeping operations" in recent years.

The publication of the new "UN PKO Guideline" by the United States does never mean that it has ruled out military intervention against other countries or abandoned its ambition to establish domination over the world.

The U.S. representative at the United Nations told a congressional hearing that the basic purpose of the new policy was to make the UN refrain from operations unacceptable to the United States and help in such operations as the United States wants. By such operations as the United States wants he meant military operations needed for executing their aggressive foreign policies.

That is why the United States is committed to keeping its forces as part of UN Forces only in case its forces participating in the "UN peacekeeping operations" shall not be placed under the command of foreign forces but exercise operational command like at the time of the Gulf war or the Korean war.

The U.S. decision to drastically cut back its contribution to UN peacekeeping spendings was motivated, in the final analysis, by its scheme to bring the UN under its control through increased financial pressure and commit military aggression and intervention against other countries by abusing the name of the UN, if necessary.

The United States must discard the wild ambition to dominate and control other countries with recourse to its policy of "strength".

Reportage on Cambodian Peace Conference Continues

Kim Il-song Hosts Banquet

SK2805104694 *Pyongyang KCNA in English* 1028
GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea hosted a banquet at the Kumsusan Assembly Hall today in honor of his Majesty King Norodom Sihanouk and participants in the roundtable conference for peace and national reconciliation of Cambodia.

When President Kim Il-song, conducting H.M. King Norodom Sihanouk, appeared in the banquet hall amid the playing of the welcome music, those present warmly welcomed them with thunderous applause.

President Kim Il-song made a speech at the banquet.

H.M. King Norodom Sihanouk spoke next.

Present on invitation were H.E. Prince Chea Sim, acting head of state and president of the National Assembly, H.R.H. Prince Norodom Ranariddh, first prime minister, H.E. Prince Hun Sen, second prime minister, and the suite from the Royal Government side and H.E. Khieu Samphan, president of the Democratic Cambodia side and the suite and Cambodian Royal Ambassador E.P. to Korea Oum Mannorine.

Premier Kang Song-san, Vice President Yi Chong-ok, Vice Premier Hong Song-nam, Vice Chairman of the Supreme People's Assembly Yo Yon-ku, First Vice Minister of Foreign Affairs Kang Sok-chu and officials concerned were present.

The banquet proceeded in a cordial atmosphere overflowing with feelings of friendship.

Kim Il-song Addresses Banquet

*CM3105121494 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 28 May 94*

[Text] President Kim Il-song of the Democratic People's Republic of Korea made a speech at the banquet he hosted today at the Kumsusan Assembly Hall in honour of His Majesty King of Cambodia Norodom Sihanouk and participants in the roundtable conference for peace and national reconciliation of Cambodia.

Saying he was very pleased to sit together with his Majesty King Norodom Sihanouk and high-ranking leaders of Cambodia participating in the roundtable, President Kim Il-song stated:

Your majesty esteemed King Norodom Sihanouk and esteemed high-ranking leaders of Cambodia: I am very pleased to be with your majesty esteemed King Norodom Sihanouk and high-ranking leaders of Cambodia who have participated in the roundtable conference for peace and national reconciliation of Cambodia held in our country.

Your majesty esteemed king, your excellency Prince Chea Sim, your royal highness Prince Norodom Ranariddh, your excellency Prince Hun Sen and your excellency Khieu Samphan are all our close friends. You are participants in the roundtable conference of Cambodia as well as distinguished guests of our people.

I would like to bid a hearty welcome to you, our intimate friends, and also sincerely congratulate you on your success in the roundtable conference for peace and national reconciliation in Cambodia which has been held under the guidance of your majesty King Norodom Sihanouk.

I believe the fact that the high-ranking leaders of Cambodia have held the roundtable conference in Pyongyang this time is an expression of your friendship towards us and your trust in us.

The roundtable conference has been held by the direct proposal and effort of your majesty esteemed King Norodom Sihanouk, an outstanding patriot of Cambodia and father of the Khmer nation.

Your majesty, with intense love for your country and a strong will, has devoted everything to the cause of the country's independence and national dignity with unshakable confidence in spite of the many tortuous events you have undergone from early years. Today you are working energetically for national reunification and unity and peace in your country.

Celebrating your traditional new year with the Cambodian people since your return home from the visit to our country last April, your majesty esteemed king has inspired them with great confidence and courage and, in spite of ill health, has been making unremitting efforts to deal with complex political affairs. In particular, you have put forward a reasonable proposal for achieving national reconciliation and restoring peace in your country and have made various arrangements to put it into practice. We speak highly of your majesty's noble patriotism and outstanding statecraft.

Realizing national reconciliation and restoring peace in Cambodia is an important matter which affects the country's destiny.

Displaying a high degree of patriotism at the roundtable conference, the high-ranking leaders of Cambodia have brought about good results to meet the expectations of the Cambodian people and the progressive people of the world, and thus made a historic contribution to realizing national reconciliation and restoring peace in Cambodia.

Cambodian people are a talented and diligent people who have a long history and have created a splendid culture. We believe that the high-ranking leaders of Cambodia and her people will successfully build an independent, peaceful and prosperous new Cambodia, in support of the noble will of your majesty esteemed King Norodom Sihanouk. Your Majesty esteemed King:

The Korean and Cambodian peoples have established strong ties of friendship on the road of independence from early days and closely supported and cooperated with each other. Our people who value the relations of friendship and cooperation with the Cambodian people will, in the future, too, work hard to expand and develop the friendship with the Cambodian people and actively support your majesty's stand for peace and national reconciliation in Cambodia.

Availing myself of this meaningful opportunity, I propose a toast to the friendship and unity between the Korean people and the Cambodian people; to the prosperity and thriving of the Kingdom of Cambodia; to the good health and long life of your majesty esteemed King Norodom Sihanouk; to the good health of your majesty Queen Norodom (Moniniet) Sihanouk; to the good health of your excellency esteemed Prince Chea Sim; to the good health of your royal highness esteemed Norodom Ranariddh and of your excellency esteemed Prince Hun Sen; to the good health of your excellency esteemed Khieu Samphan; to the good health of various friends and comrades of Cambodia present here.

Sihanouk Gives Speech at Banquet

*CM3105131394 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 28 May 94*

[Speech by King Norodom Sihanouk of the Kingdom of Cambodia at a banquet hosted by President Kim Il-song in the Democratic People's Republic of Korea at the Kumsusan Assembly Hall on 28 May]

[Text] Your Excellency most esteemed Generalissimo, president of the Republic:

Your Excellency, respected and beloved great leader—the most distinguished of the Korean nation and people—has arranged this unforgettable grand banquet out of your invariable benevolent consideration for Cambodia, its people, and my royal family, and extended a very kind and well-meaning invitation. This is the highest honor and a historic event for all the leaders of Cambodia present here and the Cambodian people. In the name of all Cambodian people, I am extending the noblest, everlasting wholehearted gratitude to Your Excellency, the father of the

Korean people, independence, and prosperity, reflecting our highest respect and emotion. Your Excellency, most esteemed Generalissimo, president of the Republic:

Cambodia which formally restored independence, territorial integrity, national unity and peace following the signing of the Paris peace accord on October 23, 1991, has striven to substantially restore national unity and peace up until now, but no success worth mentioning has been made.

Unfortunately, the civil war is going on between the Royal Government of Cambodia and the Democratic Cambodia side, imposing ineffable sufferings upon the innocent peaceable population of Cambodia.

A roundtable conference, a top-level conference for peace and national reconciliation between the factions of Cambodia, had to be organized very urgently with a view to ending this tragic civil war for today and tomorrow of Cambodia and the Cambodian nation.

Very significant and noteworthy here is that the Cambodian leaders have reached a consensus on choosing Pyongyang, the attractive capital of the so glorious, friendly and fraternal Democratic People's Republic of Korea, as the venue of the conference.

The fact that all the leaders of Cambodia have chosen Pyongyang as the historical place of the roundtable conference for peace and national reconciliation, their summit conference, is an expression of Cambodia's full trust in your excellency the prominent President Generalissimo Kim Il-song, the most intimate friend and steadfast supporter of the Cambodian people.

Your excellency most respected and beloved generalissimo, president of the Republic: Allow me to express our noblest, courteous and eternal thanks to your excellency for the warm kindness, goodwill and incomparably excellent hospitality accorded us, for the flawless preparations you have let competent officials of Korea make for our roundtable conference, thus making it possible for the leaders of the State of Cambodia and the Democratic Cambodia side to achieve positive results of unanimous support to the principles of effecting a cease-fire, though the date is yet to be designated, defending the national and territorial unity of the country, forming a standing committee made up of the factions of Cambodia whose mission it will be to discuss and solve one by one the pending issues between the Royal Government of Cambodia and the Democratic Cambodia side, and of maintaining fraternal working ties, at the current conference for Cambodia and its people.

I express boundless admiration in the name of Cambodia and its people to you who have made immortal, tireless efforts for the liberation of Korea and her all-around development of high degree and made historical contributions to a victory of the struggle of the third world peoples for freedom, dignity, justice, peace and progress.

Royal Cambodia has always stood on your side from 1965 and constantly expressed its full and unflinching support for your most patriotic and heroic policies of opposing all

forms of outside interference in the internal affairs of the DPRK including the national defence issue and rejecting threats from big powers, and this position will never change in the future.

We also firmly support and will support in the future, too, the lucid and wise and most patriotic proposals made by you for the independent and peaceful reunification of Korea.

Out of this sentiment, in the name of the Cambodians present here, I propose a toast to the everlasting good health and long life, and everlasting glory of your excellency generalissimo, president of the DPRK, Kim Il-song, the respected and beloved great leader of the Korean nation and people; to the good health, long life, and glory of his excellency Marshal Kim Chong-il, the dear leader of the Korean people and the supreme commander of the Korean People's Army; to the good health of esteemed Madame Kim Song-ae; to the everlasting friendship and invincible unity between the Kingdom of Cambodia and the DPRK; to the good health of your excellency Premier Kang Song-san and his wife; to the good health of your excellency Vice President Yi Chong-ok; to the good health of your excellencies of Korea and their wives present here; and to the good health of the Korean friends present here.

Peace Talks End 'With Success'

*SK2805105794 Pyongyang KCNA in English 1051
GMT 28 May 94*

[“Roundtable Conference for Peace and National Reconciliation of Cambodia Ends With Success”—KCNA headline]

[Text] Pyongyang, May 28 (KCNA)—The roundtable conference for peace and national reconciliation of Cambodia which had opened here, presided over by H.M. King Norodom Sihanouk of Cambodia, ended with success.

At the conference, the sides unanimously supported the principles of effecting ceasefire in Cambodia, defending the national and territorial unity of the country, forming a standing committee made up of the factions of Cambodia whose mission it will be to discuss and solve the pending issues between the Royal Government of Cambodia and the Democratic Cambodia side, and of maintaining working ties.

Roundtable Issues Joint Communiqué

*SK3005111294 Pyongyang KCNA in English 1046
GMT 30 May 94*

[Text] Pyongyang, May 30 (KCNA)—A joint communiqué for peace and national reconciliation of Cambodia was adopted at a roundtable conference which was held here over May 27-28, presided over by his Majesty King Norodom Sihanouk of the Kingdom of Cambodia.

Following is the full text of the joint communiqué:

Joint communique of a roundtable conference for peace and national reconciliation presided over by His Majesty King Norodom Sihanouk

A roundtable conference for peace and national reconciliation of Cambodia took place at the Changsuwon guesthouse on May 27 and 28, 1994, according to the noble intention of His Majesty King Norodom Sihanouk of the Kingdom of Cambodia, on the conference. The meeting presided over by His Majesty King was attended by Prince Chea Sim, president of the National Assembly of the Kingdom of Cambodia, H.R.H. [His Royal Highness] Prince Norodom Ranariddh, first prime minister, and Prince Hun Sen, second prime minister, of the royal government of Cambodia, and H.E. [His Excellency] Khieu Samphan, president of the Democratic Cambodia side.

Also present at the conference were senior advisors to the King who are princes, and Prince Monkol Tebwacha and Prince Maha Kossanda, priests.

1. His Majesty King Norodom Sihanouk of the Kingdom of Cambodia, upon opening the conference, expressed warmest thanks, in the name of the entire Cambodian people, to His Excellency Generalissimo Kim Il-song, the great leader of the Korean nation and people and president of the Democratic People's Republic of Korea, and to his Excellency Marshal Kim Chong-il, the dear leader of the Korean people and supreme commander of the Korean People's Army, and to all the high-ranking officials of Korea for the warmest welcome and hospitality accorded the Cambodian delegation and for all the conditions and conveniences provided for the roundtable conference.

2. The participants in the conference reached a consensus of view on Cambodia being an indivisible one unified state and on the noble desire of the Cambodian people to achieve the territorial integrity of the country (the borders of land, sea and islands were recognized internationally in the 1963-1969 period), peace, solidarity, national unity and independence and the development of Cambodia and expressed sympathy and support for it. And they admitted that to prevent the division of the territory, achieve unification, remove national discord and win unity is necessary for the existence of the nation.

3. They, at the proposal of respected His Majesty King, affirmed their will to make efforts to put an end to the war as early as possible for a permanent ceasefire, national reconciliation and peace.

4. The participants agreed to set up a standing committee of the round-table conference for peace and national reconciliation to find a solution to the problems of national reconciliation and unity.

They shared the identical view on holding the first session of the standing committee of the round-table conference in Phnom Penh on June 15, 1994.

The Cambodian delegation expressed thanks to respected his Majesty King Norodom Sihanouk for rendering positive efforts to bring genuine unity, peace and national reconciliation to Cambodia and the Cambodian people.

The participants in the round-table conference with a sense of heavy responsibility for Cambodia and the Cambodian people closed the conference on May 28, 1994 in an atmosphere of mutual understanding.

[Dated] May, 28, 1994. Changsuwon guesthouse.

Kim Il-song Meets With Cambodians

SK2805114694 Pyongyang KCNA in English 1105 GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today met with H.M. King Norodom Sihanouk, H.E. Prince Chea Sim, acting head of state and president of the National Assembly, H.R.H. Prince Norodom Ranariddh, first prime minister, H.E. Prince Hun Sen, second prime minister, and H.E. Khieu Samphan, president of the Democratic Cambodia side, who had participated in the roundtable conference for peace and national reconciliation of Cambodia.

Premier Kang Song-san, Vice President Yi Chong-ok, First Vice Foreign Minister Kang Sok-chu and Vice Foreign Minister Cho Kyu-il were present.

President Kim Il-song had a cordial and friendly talk with the Cambodian guests.

Cambodian Government Leaders Depart

SK3005105794 Pyongyang KCNA in English 1035 GMT 30 May 94

[Text] Pyongyang, May 30 (KCNA)—H.E. [His Excellency] Prince Chea Sim, acting head of state and president of the National Assembly of the Kingdom of Cambodia, H.R.H. [His Royal Highness] Prince Norodom Ranariddh, first prime minister, and H.E. [His Excellency] Prince Hun Sen, second prime minister, of the royal government, and the suite left here today by special plane after participating in the roundtable conference for peace and national reconciliation of Cambodia.

They were seen off at the airport by Vice Foreign Minister Cho Kyu-il and Cambodian Royal Ambassador to Korea Oum Mannorine.

Japan's Security Council Seat Ambition Viewed

SK2805102394 Pyongyang KCNA in English 1001 GMT 28 May 94

["Imprudent Behavior"—KCNA headline]

[Text] Pyongyang, May 28 (KCNA)—The Japanese Prime Minister, Tsutomu Hata, requested an active support of Western countries including France and Germany, saying "Japan is playing a role commensurate with the status of permanent members of the United Nations Security Council in all fields including politics and the economy," and said at the budget committee of the House of Representatives on May 24 that Japan is actively aspiring after a permanent member of the UN Security Council.

Commenting on his remarks, a MINJU CHOSON analyst today says:

This fully shows how desperately the Japanese authorities are trying to become a permanent member of the UN Security Council.

It is too shameless and impertinent an act for the Japanese authorities to covet for a permanent seat on the UN Security Council.

Although nearly half a century has passed since World War II, Japan is still failing to clearly repent of its crimes.

It is reinforcing its "self-defence forces" with sophisticated military equipment, steadily increasing military spendings even after the cold war came to an end.

Japan's nuclear armament which has reached the danger line in actuality poses a big threat to peace and security in the Korean peninsula and Asia.

It is only too natural that Japan with such background cannot become a permanent member of the UN Security Council, and it is as clear as noonday what grave consequences will arise in case Japan should obtain a permanent seat.

Japanese Efforts Denounced

SK3005053294 *Pyongyang KCNA in English 0514*
GMT 30 May 94

["Opportunity for Reinvasion Must Not be Allowed"—KCNA headline]

[Text] Pyongyang, May 30 (KCNA)—The Japanese authorities are mobilizing news media in an effort to secure a permanent membership of the U.N. Security Council. They are deliberately building up at home and abroad the public opinion that Japan is possessed of all qualifications for the permanent membership and, therefore, should naturally become a permanent member. At the same time, they are feverishly lobbying to gain support from many countries.

NODONG SINMUN today brands this as an expression of the arrogance of revived militarism and a mockery of the international community.

The news analyst says:

Japan intends to become a political power and military power and justify its military action overseas by gaining the seat of a permanent member.

What is more serious is that Japan seeks to get the international community to recognise its nuclear armament.

Japan, having made all material and technical preparations for becoming a nuclear power, plans to overcome the opposition of public opinion to and legal restrictions on nuclear armament by securing permanent membership.

To become a permanent member is a spring-board for the Japanese ruling quarters.

As seen above, the Japanese authorities' zealous effort to become a permanent member is chiefly aimed at becoming a military power and nuclear power, participating in the scrambles for world domination and opening a favorable phase for realising their dominationist ambition with strength.

To allow Japan which has not parted with its militarist past to become a permanent member means to encourage it to repeat the crimes of the blood-stained past.

Japan is not qualified to become a permanent member so long as it fails to sincerely repent of its past aggression and atone for it clearly.

Japan must liquidate the past before it tries to become a permanent member.

Japanese Criticized Over Confederacy Comments

SK2705065494 *Pyongyang KCNA in English 0549*
GMT 27 May 94

["Wicked Scheme of Dishonest Force in Slandering Ill of Confederacy Formula in View of Yemen Situation"—KCNA headline]

[Text] Pyongyang, May 27 (KCNA)—A NODONG SINMUN analyst today hits out at the Japanese reactionaries and the South Korean puppets for speaking ill of the DPRK's proposal for reunification through a confederacy in view of the current Yemen situation.

In an article on the civil war in Yemen the Japanese SANKEI SHIMBUN wrote that on the Korean peninsula, too, a confederacy in which the North and the South are supposed to be reunified without political integration while leaving their systems as they are, is unstable and it may lead to a war. And the South Korean newspaper CHOSUN ILBO reported that reunification through a confederacy is as good as promising a bloodlet through a civil war later.

These arguments of some Japanese and South Korean media are a sinister jargon to defend the sophism of the separatists within and without, create obstacles in the way of Korea's reunification and incite division and confrontation, the news analyst says, and goes on:

The cause of the civil war in Yemen rather testifies more clearly to the validity and reasonableness of the DPRK's confederacy formula.

The confederacy formula calls for the establishment of a national unified state on the basis of patriotism and the idea of national independence and on the principle of promoting co-existence, co-prosperity and common interests.

It provides an institutional guarantee of fairly distributing the functions and authority of the confederal government and regional governments and enabling the political forces participating in them to exercise equal rights, such as establishing above the regional governments a unified national government consisting of an equal number of

people from both sides and the North and the South running it on a rotatory basis.

It also envisages organizing a United National Army through a drastic reduction of the armies of the North and the South and their amalgamation and placing it under the unified command of the confederal government, thus providing a military arrangement so that the fear of invasion from both South and North and the ideas of prevailing over communism and communization may be dispelled and a durable peace be preserved.

The proposal of achieving national reunification through a confederacy on the basis of one nation, one state, two systems and two governments is the most just and feasible programme which makes it possible to achieve the reunification of the country independently and peacefully at the earliest possible date without neither side conquering the other or being conquered under the conditions where different ideas and systems exist in the North and the South of Korea.

The process of reunification in Yemen is fundamentally different from DPRK-proposed reunification through a confederacy in the principles, ways and content of reunification. It is motivated by their sinister political aim that they are speaking ill of the DPRK's confederacy formula by connecting it with the incident in Yemen in a far-fetched manner, without so much as a study of it.

The Japanese reactionaries and the South Korean puppets have desperately tried to block peace and reunification of the Korean peninsula, objecting to the DPRK's proposal for reunification through a confederacy, in order to perpetuate the division of Korea. The slander of some Japanese and South Korean media on the DPRK's reunification proposal represents the real intention of the dishonest force seeking to perpetuate the division.

It is a disgraceful behavior like tarnishing one's own image by himself for the press which regards justice and truth as what keeps it alive to play into the hands of the separatists opposed to peace and reunification of the Korean peninsula.

Foreign Ministry Spokesman on Visit to Russia

SK3005055394 Pyongyang KCNA in English 0541 GMT 30 May 94

["Foreign Ministry Spokesman on Russia Visit of Foreign Ministry Delegation"—KCNA headline]

[Text] Pyongyang, May 30 (KCNA)—A spokesman of the DPRK Foreign Ministry, answering a question put by KCNA today concerning the recent visit of a delegation of the Foreign Ministry to the Russian Federation, said:

A delegation led by a vice foreign minister visited the Russian Federation in mid-May under the plan of exchange between the Foreign Ministries of the two countries.

During its visit, the delegation met and had talks and conversations with senior officials of the Foreign Ministry of Russia.

At the talks and conversations, the Russian side manifested its willingness to value the traditional relations between the two countries and more actively develop these relations in political, economic and other fields in the future.

The Russian side mentioned the issues of holding frequent political consultations and parliamentary contacts between the two countries over peace and security in the Far East, starting the work of the intergovernmental economic and scientific-technological consultative committee, developing the economic relations between the DPRK and the Far Eastern region and Siberia of Russia, letting Russia actively participate in the development of the Rajin-Sonbong free trade and economic zone and concluding a new forestry agreement in a short time because cooperation in forestry is beneficial to both sides.

As regards the nuclear issue on the Korean peninsula, the Russian side resolutely opposed all manner of threat and pressure and contended that this issue must be settled strictly by political means.

It expressed understanding of the DPRK's position to resolve the nuclear issue through DPRK-USA talks and hoped for an early success at the DPRK-USA talks.

The Russian side proposed multi-party talks for the establishment of security on a wider range including the nuclear issue on the Korean peninsula and expressed its view that the talks would be favorable for the countries concerned to have a correct stand.

The Russian side said it opposes attempts to establish domination and respects the interests among nations and the freedom of choice of peoples.

The delegations of the Foreign Ministries of the two countries expressed satisfaction with the results of the talks and conversations and expressed their willingness to continue regular consultations in the future.

South Korea

IAEA Officials' Negotiations in North Collapse

SK2805031794 Seoul YONHAP in English 0308 GMT 28 May 94

[Text] Seoul, May 28 (YONHAP)—Three of the five International Atomic Energy Agency [IAEA] officials currently in North Korea will leave the country Saturday after negotiations collapsed on the terms of the IAEA monitoring the North's unloading of spent fuel rods from the controversial Yongbyon nuclear reactor, diplomatic sources here said.

"The negotiations broke down because the North proceeded with the replacement of spent fuel rods, ignoring the IAEA request to stop withdrawing them," said the

sources. "Accordingly, three out of the five IAEA officials in North Korea will pull out of Pyongyang today."

The sources, however, said two inspectors would remain in North Korea to witness the work of discharging spent fuel rods at the Yongbyon reactor.

Concede 'Virtual Failure'

SK2805031394 Seoul YONHAP in English 0302 GMT
28 May 94

[By Yi Tong-min]

[Text] Seoul, May 28 (YONHAP)—The North Korean nuclear dispute became a life-or-death situation Saturday with Seoul officials conceding the virtual failure of Pyongyang-International Atomic Energy Agency (IAEA) negotiations.

IAEA Director-general Hans Blix reported to the U.N. Security Council that North Korea could finish unloading nuclear fuel rods within days and thus destroy the chances of measuring what went on at the 5-megawatt reactor during the past eight years of operation.

The IAEA, the United States and South Korea have made clear that if such measurement was not guaranteed, they would seek countermeasures through the U.N. Security Council. The Security Council already held informal consultation Friday evening and will meet again early next week to discuss the situation based on Blix's report.

Foreign Minister Han Sung-chu chaired a hastily called meeting of vice and assistant ministers and his nuclear negotiating team to discuss the latest report from Vienna. Officials said the IAEA is likely to issue a final statement sometime in the morning from Vienna. If the agency judges that the chances of future measurement are ruined, it is certain to request action by the Security Council.

The officials were clinging to the little hope that remained, saying two of the five IAEA inspectors currently in Pyongyang will stay behind and monitor the progress in the discharge of fuel rods from North Korea's 5-megawatt reactor.

These inspectors could restart negotiations with North Korea on halting the unloading process so that the IAEA can select and store the critical rods for future measurement. Measurement is considered a must in determining how much plutonium North Korea has stockpiled. "But it's definitely closer to a failure," said one ministry official on condition of anonymity. "As to whether the remaining inspectors can succeed in negotiations, we can't be sure."

North Korea began discharging the 800 bundles of fuel rods, each bundle containing 10 rods, from May 12. According to Blix, Pyongyang has done 50 percent of the unloading and will be able to complete the job within days.

Washington, in working-level contacts with Pyongyang over the past few days, has insisted that North Korea at least stop the discharge. This would ensure that there was still a chance of taking the necessary measurements. But North Korea has refused to halt the work, demanding

instead that the United States sit down for the next round of high-level negotiations to discuss how measurement can be guaranteed, apparently a tactic to continue using the 5-megawatt reactor as a bargaining chip.

"North Korea never said it would not allow measurement. But it's becoming obvious that Pyongyang is doing its best to keep its past nuclear activities a secret, away from any analysis or probe," said one analyst at the Foreign Ministry.

In truth, full access to the fuel rods and their measurement would disclose the majority of North Korea's nuclear development program, and giving it away would dramatically weaken Pyongyang's nuclear card.

Foreign Minister Han had repeated that guaranteeing measurement is "the line" that decides whether diplomatic efforts continue or end. North Korea is close to crossing that line and officials say that by next week, new circumstances may arise that demand a confrontation with Pyongyang.

UN Official Perricos Comments

SK2805073394 Seoul YONHAP in English 0717 GMT
28 May 94

[Text] Beijing, May 28 (YONHAP)—Negotiations between the International Atomic Energy Agency (IAEA) and North Korea over safeguards on nuclear facilities in the communist country failed, Demitri Perricos, safeguards director at the UN nuclear watchdog, said here Saturday.

Perricos and one other IAEA senior envoy sent to Pyongyang to discuss possible measurements of fuel rods unloaded from an experimental 5-megawatt reactor in Yongbyon nuclear compound on Tuesday, arrived in Beijing together with the chief of IAEA team that conducted inspections in nuclear reprocessing facilities since May 17.

The procedures proposed by North Korea were insufficient for IAEA to determine safeguards of the nuclear facilities and the talks ended in failure because the stalinist country refused the UN body's demand to stop unilateral unloading of the fuel rods, calling it political restriction, Perricos said.

He said North Koreans refused to accept nuclear safeguards, admitting that IAEA and Pyongyang failed to narrow differences over lasting safeguards measures such as by regular and ad hoc inspections.

The senior IAEA official was, however, cautious in forecasting the failure in talks could lead to sanctions against North Korea, saying it was up to the United Nations to decide.

He said he told North Koreans that talks could be resumed if they wanted to.

Perricos said his team had sent short report on the results of talks with North Korea and nuclear inspections to the IAEA headquarters on Friday, but added that he didn't know whether IAEA Director-General Hans Blix reported the results to the UN Security Council.

He said the final report would be submitted at the IAEA headquarters when they arrive in Vienna.

Foreign Ministry Comments

SK2805095094 Seoul YONHAP in English 0944 GMT 28 May 94

[Text] Seoul, May 28 (YONHAP)—The South Korean Government expressed deep concern and regret Saturday over the virtual failure of negotiations between North Korea and the International Atomic energy agency (IAEA) over refueling at the 5-megawatt nuclear reactor in Yongbyon complex.

Foreign Ministry spokesman Chang Ki-ho urged North Korea to immediately stop unloading fuel rods and accept the IAEA's requests.

"We strongly request North Korea, as a member of the Nuclear Nonproliferation Treaty, faithfully abide by nuclear safeguards obligations," he said.

He warned that if North Korea continues with unloading process as to kill chances of measurements, the situation can only turn critical.

Chang observed that the immediate discussions at the UN Security Council after IAEA director-general's report was very appropriate.

He added that Seoul will continue to exert all diplomatic efforts in consultations with its allies to stop North Korea from further unloading of nuclear fuel rods and make it accept IAEA's requests.

'Little' Chance for Further Talks

SK2805110494 Seoul YONHAP in English 1058 GMT 28 May 94

[Text] Berlin, May 28 (YONHAP)—International Atomic Energy Agency (IAEA) negotiators failed to reach an agreement with North Korea to determine whether the communist country is developing nuclear arms and are returning to the headquarters in Vienna, IAEA spokesman Hans Meyer said Saturday.

Pyongyang continues to remove fuel rods and chances of more talks between the UN nuclear safeguards body and North Korea are little although IAEA is willing to resume negotiations, Meyer said.

He said North Korea refused all proposals by IAEA to verify whether diversion of fuel took place in the past and that this week's talks in Pyongyang broke down without reaching any agreement.

IAEA delegates asked various proposals to select, segregate, and secure fuel standards to verify the reactor core is the original one installed in 1986, but North Korea refused every one of them, the spokesman said in a statement.

North Koreans referred to their "unique status"—a formula by which they can pick and choose which international safeguards measures to respect—and held fast to its

opposition to IAEA's activities to determine whether nuclear fuel has been diverted to a secret weapons program.

They instead offered some of their ideas, but IAEA turned them down because they were not "adequate and verifiable" to determine past operation.

Of five negotiators, two have remained in Yongbyon to report the process of unloading to headquarters, which means safeguards are not completely broken down.

The IAEA Secretariat has reported these facts to the board of governors and United Nations Security Council, the statement said.

Meyer said the UN nuclear watchdog is still willing to talk with Pyongyang, but that the matter was entirely up to North Koreans. He, however, added that he saw little hope in further talks.

Coordination Meeting Held

SK3105112894 Seoul KBS-1 Radio Network in Korean 1000 GMT 31 May 94

[Text] On the morning of 31 May, the government held a coordination meeting on reunification and security-related policies under the chairmanship of Yi Hong-ku, deputy prime minister and minister of the National Unification Board, at the South-North talks Secretariat in Samchong-tong. Discussions were held on the government's measures against the North Korean nuclear issue which faces a serious crisis due to the failure in the negotiations between the International Atomic Energy Agency [IAEA] and North Korea. Following is a report by Kim Chol-min.

[Begin Kim Chol-min recording] Today, the government decided to actively promote sanctions against the North based on the international cooperation system if North Korea does not accept the separation and storage of the fuel rods at its five-megawatt atomic reactor in Yongbyon by 6 June, the date slated for the IAEA Board of Governors meeting. In accordance with President Kim Yong-sam's yesterday's order to come up with a countermeasure according to each situation of the North Korean nuclear issue, the government held a coordination meeting on reunification and security-related policies and discussed this matter today.

The government confirmed that it will not stop its efforts to continue to hold dialogue with North Korea until 6 June. In particular, the government decided that if North Korea does not accept the IAEA's demand, even after a final warning is sent to North Korea through a resolution stronger than the UN Security Council presidential statement adopted by the United Nations today, it will strongly convey to the United States the inevitability of carrying out sanctions against the North at the UN Security Council level.

Along with this, the government discussed ways to deal with China, which might exercise a veto when voting on a resolution on sanctions by the UN Security Council. It also decided to actively encourage China's participation, and examine the possibility of taking sanctions focusing on

allies such as the United States and Japan, aside from the UN Security Council. [end recording]

Preparation for Every 'Contingency'

*SK3005035594 Seoul YONHAP in English 0345 GMT
30 May 94*

[Text] Seoul, May 30 (YONHAP)—The government is preparing for every possible contingency following the breakdown of negotiations between North Korea and the International Atomic Energy Agency (IAEA).

President Kim Yong-sam presided over a security-related cabinet ministers' meeting Monday morning to discuss various means of coping with the nuclear dispute.

The government decided to strengthen cooperation with the countries around the Korean peninsula—the United States, Japan, China and Russia—and study possible action in case the issue is referred to the U.N. Security Council, presidential press secretary Choo Don-shik said.

It was also decided to convey South Korea's position agreed at the meeting to the Governments of the United States, Japan, China and Russia, Choo said.

Attending the meeting were Prime Minister Yi Yong-tok, Deputy Premier and minister of the National Unification Board (NUB) Yi Hong-ku, Foreign Minister Han Sung-chu, Defense Minister Yi Pyoung-tae and other ministers and secretaries.

President Kim said, "The efforts of the government and the international society to peacefully solve the North Korean nuclear problem are faced with a grave challenge as Pyongyang ignored the international society's demands and pushed for replacement of fuel rods at the 5-megawatt reactor in Yongbyon."

Kim instructed the ministers to prepare for any emergency which might be created by North Korea in a crisis.

President Kim urged North Korea to immediately stop discharging the fuel rods, saying that selection, storage and measurement of fuel rods are indispensable to securing the transparency of past nuclear activities as well as ascertaining the non-diversion of nuclear material.

Kim instructed the ministers to maintain close cooperation with related countries to achieve tangible results and to work out countermeasures for every possibility, including referral of the nuclear issue to the Security Council again.

The government, however, decided to continue trying to solve the problem through dialogue ahead of the IAEA's regular Board of Governors' meeting slated for June 6, since the nuclear dispute cannot be considered a catastrophe as Pyongyang still wants to hold a third round of high-level talks with Washington, according to the official.

"The results of today's meeting will be conveyed to related countries including the United States," Choo said.

The government plans to hold a unification and security policy coordination meeting this week to draw up detailed measures on the basis of the results of the security-related ministers' meeting.

DPRK Issue 'Could Now Be Referred' to UNSC

*SK2805092494 Seoul YONHAP in English 0914 GMT
28 May 94*

[Text] Seoul, May 29 (YONHAP)—President Kim Yong-sam said Saturday prospects for further talks between North Korea and the United States were unclear due to Pyongyang's unilateral discharge of nuclear fuel rods and that the matter could now be referred to the UN Security Council [UNSC], leading to sanctions against the communist country.

In talks with the opposition Democratic Party (DP) leader Yi Ki-taek, Kim said of 8,000 existing fuel rods, North Korea changed 4,000 and their whereabouts were unknown and that the International Atomic Energy Agency (IAEA) inspections had hit a deadlock.

"Therefore prospects for the North Korea-U.S. high-level talks, slated for June, are unclear and after IAEA report, the nuclear issue is expected to be referred to the UNSC," Yi quoted Kim as saying.

Kim also told Yi that when referred to UNSC, both military and economic sanctions could be imposed together and that China, under these circumstances, could no longer oppose.

Yi said the president will endeavour to kill the North Korea-Russia military treaty, which obliges Russia to side with North Korea in case of a war on the Korean peninsula.

Kim also said the government had several scenarios preparing for the unpredictable North Korean situation, Yi said.

Seoul To Ask UN To 'Actively Pressure' DPRK

*SK2905025294 Seoul KBS-1 Radio Network in Korean
0200 GMT 29 May 94*

[Text] A tense situation has reached a climax surrounding the nuclear issue with the break in the negotiations with North Korea on the nuclear fuel rods. In this connection, the government plans to request the United Nations to actively pressure North Korea to change its attitude.

A government authority said that the Chinese Government will not be able to oppose the principle that North Korea must reveal the actual condition of the past nuclear developments by accepting the inspection of its fuel rods. He said that since the Chinese Government's position will also be difficult if the North Korean issue is discussed on a full-scale at the United Nations, it is expected that the Chinese Government will play an active role as mediator to induce North Korea to change its attitude.

He also said that there is still some room for resolving this issue through dialogue, but warned that if North Korea

makes it so that the actual condition of the past nuclear developments cannot be examined because it replaces its fuel rods, discussions will be held for taking sanctions immediately at the UN level.

UNSC Said Preparing Resolution

SK2905001994 Seoul KBS-1 Radio Network in Korean 2200 GMT 28 May 94

[By correspondent Nam Son-hyon from the UN Headquarters]

[Text] UN sources have said that the UN Security Council [UNSC] is preparing to adopt a resolution or a statement urging North Korea to immediately stop the extraction of fuel rods.

In a behind-closed-doors plenary session held last night, the UNSC held an emergency discussion on North Korea's nuclear issue. It was reported that the UNSC reached an agreement to actively cope with North Korea's nuclear issue.

The permanent members of the UNSC are actively engaged in fine-tuning their opinions over how to take measures on North Korea at the moment, but that China is maintaining a prudent stance.

UNSC Plans Meeting on North Korea 31 May

SK2905032994 Seoul KBS-1 Radio Network in Korean 0200 GMT 29 May 94

[By correspondent Nam Son-hyon from New York]

[Text] The UN Security Council [UNSC] had planned to hold an emergency countermeasure meeting to discuss North Korea's nuclear issue early this morning [Korean time]. It is reported, however, that because the individual countries had not fine-tuned their position, they agreed to hold a meeting on Tuesday, 31 May, after making informal contacts between member countries.

The UNSC member countries had planned to convene an emergency countermeasure meeting today, Sunday, with a view to hastily adopting a statement of warning or a resolution pointing out the seriousness of the situation to North Korea which has been making haste in replacing fuel rods more than necessary.

But, there is a prevailing opinion that it will take more time to fine-tune the opinions of not only permanent members, but of other members as well and that it is desirable to further watch the attitude of the North Korean side. As a result, well-informed sources have said that it was agreed among member countries to hold a countermeasure meeting this upcoming 31 May.

In today's informal contacts between UNSC members, the U.S. side asked China to exercise a strong influence on North Korea to immediately stop replacing fuel rods. The Great Britain and France advocated adopting a statement calling again for holding negotiations between the International Atomic Energy Agency and North Korea while sending out a warning about the seriousness of the present

situation. But, it is reported that the Chinese stressed the need to deal with this question with prudence as well as to have dialogue with North Korea with patience.

UNSC Makes Statement 31 May

SK3105025394 Seoul YONHAP in English 0244 GMT 31 May 94

[Text] Seoul, May 31 (YONHAP)—The South Korean Government welcomes the U.N. Security Council [UNSC] president's statement on North Korea Tuesday with a warning to Pyongyang that it is headed toward confrontation with the entire international community.

"The government of the Republic of Korea wholeheartedly supports (the statement) as an appropriate action," Foreign Ministry spokesman Chang Ki-ho said in a statement.

The 15-member Security Council issued a presidential statement urging North Korea to comply with International Atomic Energy Agency (IAEA) requirements in discharging fuel rods from its nuclear reactor.

"The adoption of this Security Council presidential statement is a declaration of the firm and unified will of the international community on the North Korean nuclear problem," the spokesman said. "We warn that North Korea must realize the unfortunate reality that it is inviting confrontation with the entire international community and that it not turn the matter into a more serious situation by immediately accepting the demands of the international community."

The government is once again pressing North Korea to halt the rod unloading process and accept the required IAEA safeguards, the spokesman said.

DPRK Deputy Envoy on Statement

SK3105072994 Seoul KBS-1 Radio Network in Korean 0700 GMT 31 May 94

[YONHAP from UN Headquarters in New York]

[Text] On 31 May North Korea sternly expressed the intention of refusing to accept [suyong kobu uisaul pyomyong haessumnida] the UN Security Council presidential statement. After the UN Security Council formal meeting ended today, Kim Su-man, deputy ambassador to the North Korean mission to the United Nations, said: This statement is another attempt by the United States and the International Atomic Energy Agency [IAEA] to stifle North Korea and, therefore, it is refused.

Deputy Ambassador Kim Su-man stressed that all pending issues must be resolved through talks with the United States, not by the UN Security Council, and said: North Korea is, however, willing to hold further negotiations with the IAEA.

He added that although North Korea has made efforts to reasonably solve the problems, the IAEA has refused the North Korean proposal.

Foreign Minister on DPRK Nuclear 'Standoff'

SK3105073094 Seoul YONHAP in English 0719 GMT
31 May 94

[Text] Seoul, May 31 (YONHAP)—Chances are high that the UN Security Council will approve and actually impose sanctions against North Korea if the nuclear standoff continues on its present course, Foreign Minister Han Sung-chu said Tuesday.

Without going into detail, Han said the Seoul government has prepared measures "for every possible situation."

China, the uncertain variable if the council does opt for sanctions, could play an important role regardless of whether it joins in the sanctions, he said.

Han, who is accompanying President Kim Yong-sam on a state visit to Russia June 1, said he hopes Seoul and Moscow will reaffirm their cooperation in resolving the North Korean nuclear row.

Kim leaves for Russia in the midst of a tense situation, with North Korea refusing core inspection activities at a disputed 5-megawatt reactor that could reveal its past nuclear development.

Han had said that Pyongyang would be crossing the line if it destroyed the opportunity for the IAEA [International Atomic Energy Agency] to segregate and sample fuel rods from the reactor for later measurement.

"If the fuel rod discharging work continues at the current pace, North Korea will, in a short while, cross that line," he said in a press conference at the Foreign Ministry. But Seoul has not been informed that Pyongyang actually crossed the line, said Han.

Asked about the possibility of the Security Council opting for sanctions, he said the "chances are high that sanctions will actually be put into effect."

"But it's not the time to discuss military sanctions," Han said, despite President Kim's earlier remarks in talks with the opposition leader that economic and military sanctions may be sought simultaneously.

"We are not ruling out any possibility," he said when asked if Seoul is willing to seek sanctions outside the Security Council in case China refuses to go along.

Predicting China's role will grow as the Security Council discusses whether to impose sanctions, he suggested other ways for Beijing to exert influence. "China would be able to assume various important roles, regardless of whether it does or does not participate actively in the sanctions," he said.

Consultations Begin on DPRK Nuclear Issue

SK3005023494 Seoul YONHAP in English 0228 GMT
30 May 94

[Text] Seoul, May 30 (YONHAP)—Foreign Minister Han Sung-chu began consultations with major allies' envoys Monday on the North Korean nuclear crisis, meeting first with U.S. Ambassador James Laney.

Han, returning from an inter-ministerial security coordination meeting at the presidential office, asked Laney to come to the Foreign Ministry, officials said.

The move is part of instructions from President Kim Yong-sam to consult with the four major countries involved—the United States, Japan, Russia and China—as the U.N. Security Council prepares to meet Tuesday to discuss action against North Korea.

He is expected to emphasize that now is the critical time in dealing with the nuclear dispute, noting that North Korea is clearly in violation of the safeguards agreement with the International Atomic Energy Agency (IAEA).

Han and Laney are expected to agree on coordinated action at the United Nations in a last-minute attempt to get North Korea to stop unloading spent fuel from its reactor, while also agreeing that stringent measures are inevitable otherwise.

Foreign Minister Urges Cooperation

SK3005060094 Seoul YONHAP in English 0554 GMT
30 May 94

[Text] Seoul, May 30 (YONHAP)—South Korea and the United States jointly expressed concern Monday that the North Korean nuclear row has become more serious and volatile than ever before.

Foreign Minister Han Sung-chu and U.S. Ambassador to Seoul James Laney met in the morning soon after President Kim Yong-sam chaired a national security session.

Han briefed Laney on what was discussed at the meeting and called for even closer cooperation in dealing with the latest crisis stemming from Pyongyang's nuclear program, especially as President Kim leaves for Russia Wednesday.

"The two countries shared the view that the North Korean nuclear problem is entering its most serious stage and that the present situation is extremely worrisome," Ministry spokesman Chang Ki-ho said.

"They reconfirmed the principle that in order for dialogue to continue, North Korea must keep alive the basis for such dialogue—that is, the opportunity to sample, secure and measure the fuel rods from the North Korean nuclear reactor must not be damaged," he said.

The U.N. Security Council convenes Tuesday to address Pyongyang's latest refusal to keep this opportunity alive. The council is expected to adopt a presidential statement or even a resolution pressing North Korea to reach agreement with the International Atomic Energy Agency (IAEA) on guaranteeing the sampling and measurement of the rods.

Editorial Calls For Strong Government Position

SK3105045794 Seoul HANGUK ILBO in Korean 31
May 94 p 3

[Editorial: "The Last Tricks of the North Korean Nuclear Issue"]

[Text] The North Korean nuclear issue approaches a crisis once again. This is because North Korea has begun changing fuel rods at its nuclear reactor by ignoring the International Atomic Energy Agency's [IAEA] request for safety steps regarding the replacement of fuel rods.

Such dogmatic behavior by North Korea is a challenge that will throw a wet blanket on efforts by the ROK, the United States, and the United Nations to peacefully settle the North Korean nuclear issue. Accordingly, the UN Security Council will give, sooner or later, a warning to North Korea in the name of its president or adopt a statement condemning North Korea regarding its replacement of fuel rods. Also, it will discuss sanctions against North Korea. Such being the situation, the government naturally convened a meeting of security-related ministers, defined the present situation as "a serious situation," and decided to hurry in preparing against North Korea's sudden action."

As soon as a third round of U.S.-North Korean talks seemed imminent, North Korea turned their back from the international community and suddenly began changing fuel rods at a 5-megawatt nuclear reactor in Yongbyon. The replacement of nuclear fuel rods is the last key to uncovering the suspected nuclear development by North Korea. This is because we can confirm if North Korea has extracted plutonium, the raw material for manufacturing nuclear weapons, from the spent fuel rods or converted it to manufacture nuclear bombs. Accordingly, the IAEA offered to analyze fuel rods after random selection and separate preservation to confirm North Korea's claims that the core rods [nosim] have not been removed since operations began in 1986, but North Korea rejected this by citing "their unique status" of having delayed their decision to withdraw from the Nuclear Nonproliferation Treaty. It has been learned that North Korea has already removed and is now preserving approximately 4,000 rods out of the 8,010 rods from the nuclear reactor.

We can point out several reasons why North Korea has begun replacing fuel rods despite the fact that they are well aware that international community would impose sanctions or pressure against them, and that they would face destruction: First, this is to hide the amount of plutonium they have so far extracted from the spent fuel rods; second, technologically, they could no longer put off the replacement of fuel rods; and third, this can be regarded as a strategy to gain something more from the United States during the third round of U.S.-North Korean high level talks. Neither can we overlook the fact that North Korea seems especially intent on acting this way in order to control their people, who are agitated over the serious food shortage or economic difficulties, by creating more tension on the Korean peninsula.

While recklessly taking a hardline attitude regarding the nuclear issue, North Korea has strongly insisted on holding talks with the United States. This is attracting people's attention. A spokesman of North Korean Foreign Ministry said on 28 May that "the DPRK will make every effort to ultimately resolve the nuclear issue during talks with the United States." Also, the Korea Central News Agency stressed that the DPRK "will accept overall inspections

[chonmyon sachal] of nuclear facilities in Yongbyon if the United States agrees to settlement of the nuclear issue through a package deal."

Anyway, we can no longer overlook North Korea's last game with fire regarding the nuclear issue. The government needs to clearly realize that there is a limit to our position regarding the principle of peacefully resolving the nuclear issue and of accepting North Korea as the same fellow men. It must assume a stern attitude to lead North Korea to suspend replacing fuel rods at the nuclear reactor and to accept the IAEA's request for safety in the cooperation with the friendly countries, including the United States. It is also important to take a strong position so that the United States does not compromise with North Korea in a manner it may deem fit, merely for its diplomatic reputation.

If the UN Security Council imposes sanctions on North Korea one week from now according to the recommendation by the IAEA based on the final report of its Board of Governors, the government should actively participate in it and suspend exchange of manpower and goods with North Korea. Furthermore, it is needless to say that the government should prepare for the possible provocation by North Korea, which will have been thrown into a corner.

What is most important at present is the government's North Korean policy. Therefore, security-related officials should be united in dealing with the North Korean nuclear issue.

President, Opposition Leader Discuss DPRK

SK2805093994 Seoul YONHAP in English 0844 GMT 28 May 94

[Text] Seoul, May 28 (YONHAP)—President Kim Yong-sam and opposition Democratic Party (DP) chairman Yi Ki-taek met for the second time this year Saturday, agreeing to hold summits often and establish a partnership between ruling and opposition parties to realize productive politics.

In talks that lasted some two and half hours, President Kim held forth on the North Korean nuclear dispute, the issue of North Koreans fleeing Siberian logging camps and the reality of the situation up North, asking for the DP's cooperation in diplomacy and inter-Korean issues.

Kim promised to instruct the government to fully cooperate with the National Assembly's activities within the legal boundary when the opposition leader called for the president's firm action to resolve the currently deadlocked house probe into the Sangmundae political scandal fund, presidential spokesman Chu Ton-sik said.

The president explained that North Korea already changed more than half of its 8,000 nuclear fuel rods and that recent talks with International Atomic Energy Agency (IAEA) ended in failure.

He said it also was hard to predict what would happen to talks between the United States and North Korea, slated for June.

"More than 90 percent of North Korea's arms are Russian made and Russia automatically has to intervene when there is a war on the Korean peninsula. I'm going to specifically address these issues when I visit Russia," Kim said.

He added that Seoul informally proposed to offer some of its reserve rice to North Korea to resolve its food shortages, but the communist country refused.

The president urged the ruling and opposition parties stop wasting energy disputing and instead carry out partnership for productive politics to raise national competitiveness, Chu said.

When Yi raised the issue of abolishing the National Security Law, Kim said the subcommittee formed by lawmakers for the the matter and legal experts should continue to discuss to reach a good conclusion, contrast to the president's flat opposition to the proposal in previous summit talks.

Explaining the inevitability of the birth of the world trade organization and Uruguay Round [UR] agreement, Kim sought the main opposition party's cooperation in the National Assembly's ratification of the UR agreement.

Yi, however, firmly answered that his party opposes to house ratification of the UR treaty.

When Yi called for a stop to inspections on Peace Foundation chairman Kim Tae-chung's house, the president promptly said such inspection activities could not be tolerated and should never exist, recalling his experience in the past as a opposition party leader.

After the talks, Yi announced that the president and he reached agreements in the issues of Sanmundaе probe, revision of National Security Planning Law, investigation into Kwangju uprising, revision of unified medical insurance law, and reforms in educational and scientific policies.

"The president said North Korea had changed half of its 8,000 nuclear fuel rods and that the IAEA inspections had hit a deadlock. Prospects for the third North Korea-U.S. talks were, therefore, unclear and there was a possibility that the North Korean nuclear issue could be referred to the UN security council after hearing the IAEA report on its inspections," Yi said.

DPRK's Possible Missile Launching Reported

SK2805021794 Seoul YONHAP in English 0159 GMT 28 May 94

[Text] Tokyo, May 28 (YONHAP)—U.S. reconnaissance satellites detected preparations by North Korea to test-launch a new missile about two weeks ago, the YOMIURI SHIMBUN reported in its Saturday editions.

Quoting military sources here who were informed of the North's movements by the United States Government,

YOMIURI said, "there is a possibility North Korea would soon test-fire a second missile following the launch of the Nodong-I missile in the East Sea in may last year."

According to the YOMIURI report, many trucks, launchers and other vehicles have been sent to the detected launch site and vessels were swarming around ports along the east coast, apparently to determine the landing point of the missiles to be launched.

Asked why the North would try to test a new missile when the international community's attention is already focused on its suspected nuclear weapons program, the sources said, "the action seems to be timed with the warm seasonal weather conditions in the East Sea and we do not believe North Korea has any particular political intention of influencing nuclear negotiations."

The TOKYO SHIMBUN carried a similar story, quoting Foreign Ministry officials as saying that "we obtained information that North Korea is preparing to test-launch a missile in the East Sea."

The officials said the information had been supplied by the United States, adding, "the missile to be launched by the North this time appears to be a revised version of the Nodong-I missile," according to the TOKYO SHIMBUN.

"Washington and Pyongyang are likely to hold a third round of high-level talks soon, regardless of the attempt by the North to test-launch a missile," according to the officials, who hinted they had the impression that Washington considers the North's missile launch as a separate issue from the talks.

The North's Nodong-I that was test-launched in May last year has a range of 1,000 km.

DPRK's Neither-Confirm-Nor-Deny Policy Viewed

SK2805032894 Seoul CHOSON ILBO in Korean 28 May 94 p 2

[By Ho Yong-pom]

[Text] Yi Hong-ku, deputy prime minister and minister of the National Unification Board, said on 27 May: It seems that, if North Korea possesses nuclear weapons, it will adhere to the so-called North Korean-style NCND [neither confirm nor deny] policy regarding its possession of nuclear weapons and its nuclear tests.

Deputy Prime Minister Yi said the above on 26 May in his written answer to Democratic Liberal Party lawmaker Namgung chin, member of the Foreign Affairs and Unification Committee of the National Assembly, who asked at the National Assembly that day "If North Korea possesses nuclear weapons, which policy would it choose, the Indian or the Pakistani-style?"

Deputy Prime Minister Yi said: "India openly confirms its nuclear tests and possession of nuclear weapons, while Pakistan does not." He then said: "I think North Korea will adhere to a not- confirm and not-opening policy." He added: "This is because North Korea still believes that it

can use such a policy as an advantageous card in talks with the United States, Japan, and South Korea."

DPRK Advised To Learn From PRC, Vietnam

SK2805061394 Seoul YONHAP in English 0601 GMT 28 May 94

[Text] Seoul, May 28 (YONHAP)—Foreign Minister Han Sung-chu, calling North Korea an heir of sinic civilization, advised it Saturday to take after China and Vietnam and pursue economic restructuring.

"As Vietnam is learning from China, North Korea can and should learn from Vietnam," Han said in a luncheon address to an international workshop that opened here Friday.

"It should because that is the only way out of its present predicament," Han told participants in the workshop titled "the durability and direction of the four remaining socialist countries: China, Vietnam, Cuba and North Korea."

The sinic civilization, he said, is defined by Confucianism, Taoism, Buddhism and Chinese ideograms. This "cultural edge," as he called it, is what made Japan the world's second biggest economy and the Asian dragons the envy of developing countries, he said.

"What prevents Pyongyang from making the same choice as China and Vietnam? Perhaps its unique internal structure, such as its personality cult, and its presumed fear of the South may be the major causes," the foreign minister commented.

"On the other side of the ledger, however, Pyongyang should know that it possesses a very powerful tool for its survival, namely, its common sinic cultural heritage."

Whether North Korea chooses to learn from China and Vietnam will ultimately show in its attitude toward South Korea. But for now, Pyongyang chooses to depend on the United States.

"This relationship... can evolve either toward an economic embargo or gradual improvement," he said. "It can go either way, depending on Pyongyang's fateful choice regarding its nuclear program."

DPRK Officials 'Hoarding' Foreign Currency, Gold

SK2905015094 Seoul THE KOREA HERALD in English 29 May 94 p 3

[Text] Spurred by fears of war and anxiety over the possible collapse of the Kim Il-song regime, senior North Korean party, government and military officials are hoarding U.S. dollars, gold, jewelry and other valuables.

A persistent distrust in the local currency of the North, the won, is also driving the North Korean elite to convert their money into currency of capitalist nations or to buy up valuables, according to information filtering through from the North.

Pyongyang's leaders have been instilling a war mentality among their countrymen by boasting, "We will accomplish unification through the barrel of a gun." Of late, they have been putting ordinary citizens in fear by claiming that South Korea and the United States are about to invade the North because of the deadlocked nuclear row.

The Stalinist state's leaders have contributed further to the atmosphere of anxiety by ordering power blackouts and air raid exercises. As a result, many North Koreans apparently now believe that war will eventually break out on the peninsula.

One member of the pro-Pyongyang Association of Korean Residents in Japan (Chochongnyon) who claims to know the commander of the Fourth North Korean Army Corps, identified only as Gen. Chang, said many North Koreans were buying U.S. dollars and Japanese yen from ethnic Koreans in China who trade goods across the border. Others are secretly amassing stores of gold, he said.

In particular, military generals like Chang are hoarding hundreds of thousands of dollars and gold ingots as large as 15 cm long, 5 cm wide and 4 cm thick. Some are also hoarding pearls, gold necklaces, gold bracelets and earrings.

The Chochongnyon official said one of his relatives, identified only as An, a senior member of the Central Workers (Communist) Party in charge of agriculture, is hiding an unspecified amount of yen and jewelry.

NAEWOE PRESS, South Korea's official watcher of North Korean affairs, said another reason North Koreans are hoarding foreign currency and valuables was because of a possible, abrupt exchange of old bills with new ones like the swap carried out July 15, 1992.

At that time, the Pyongyang regime conducted a one-to-one exchange of old and new cash but limited the amount citizens could change, forcing them to deposit the excess at the central bank and other financial institutions. They were allowed to withdraw the deposited money under different regulations later on, NAEWOE said. The Pyongyang regime allowed individual households to exchange up to 399 won while depositing 30,000 won and no more. Because of this measure, many angry citizens burned the excess money they had saved or simply tossed the bills away.

N-S Firms Reach Largest Reported Barter Deal

SK3005004594 Seoul YONHAP in English 0038 GMT 30 May 94

[Text] Hong Kong, May 30 (YONHAP)—South and North Korean companies have struck the largest single barter deal ever, under which the South will supply plastic products in exchange for Northern mineral water and alcoholic beverages, the president of the North Korean firm announced here Sunday.

Cha Kyong-chu, president of Korean Saemmul (well water) Co. of Pyongyang, said his firm has signed a

60-million-U.S.-dollar (500 million won) agreement with the Korea Plastic Industry Cooperative (KPIC).

The two sides are seeking approval for the deal from their respective governments, Cha said in an interview with YONHAP News Agency.

Under the agreement, the North Korean company will ship some 30 million dollars worth of spring water, mineral water, soju and beer, all of which carry the "Shindok" brand name, to the South, Cha said.

The South Korean cooperative will supply plastic sheets used to build hothouses for agricultural produce, PVC pipes, and plastic wastebaskets, cups and water containers to the North, he said.

The North Korean products will be shipped from Nampo port on the west sea coast to Inchon, Pusan and Mokpo while South Korea will deliver its goods to Nampo from Inchon and Pusan aboard ships from a third country, Cha said.

Korean Saemmul Co. is a joint venture between Kenny Plastics Co. (Hong Kong) Ltd., a subsidiary of Kenny Plastics Corp. of the United States, and Korean Nungrado Trading Co. of North Korea.

Cha is an ethnic Korean-American. Korean Saemmul is the only North Korean company that exports mineral water produced in Shindok with government approval. Its products are sold in China and Hong Kong.

NSP Reports North Korean Defects Aboard Ship

SK3005074494 Seoul YONHAP in English 0724 GMT
30 May 94

[Text] Seoul, May 30 (YONHAP)—A North Korean has defected to South Korea aboard a vessel from a third country, the Agency for National Security Planning (NSP) announced Monday.

The agency said that Ho Chol, 23, arrived in Inchon last Saturday via a ship he boarded in North Korea and asked for asylum, which was accepted from a humanitarian standpoint.

The NSP is currently questioning Ho on his reasons for defecting.

A resident of Paekun-tong, Sinuiju, North Pyongan Province, Ho graduated from the city's Paekun Middle School and Pyongbuk Agricultural Mechanical High School. He then worked at an transportation office in Sinuiju before entering the Pyongyang light industry college, where he studied for six months until leaving in March 1992.

Ho left behind his parents and four brothers and sisters in North Korea, NSP sources said.

DLP Leader Warns About Pro-DPRK Propaganda

SK3005083194 Seoul YONHAP in English 0812 GMT
30 May 94

[Text] Seoul, May 30 (YONHAP)—Ruling party Chairman Kim Chong-pil warned Monday that pro-Pyongyang elements in the South have been distributing printed materials praising Kim Il-song's *chuche* (self-reliance) ideology and glorifying the North's planned transfer of power to Kim's son, Chong-il.

Kim Chong-pil, from the ruling Democratic Liberal Party (DLP), told a meeting of senior party officials that a man who once served as an ambassador and now works in foreign relations gave him a small booklet last Saturday which had been sent to him. Kim later presented the booklet titled "21st Century and Leader".

"The contents of the booklet praise Kim Il-song's *chuche* ideology and stress that Kim Chong-il will play a greater role as leader (of the North) after assuming power from the great leader (Kim Il-song)," the DLP chairman said. "In particular, the phrases and words in the booklet are not ones used by the northerners but expressions we use here. The style of printing also seems not to belong to the North."

Accordingly, the booklet must have been printed here and then distributed, said Kim, advising the party to take action on the matter.

Kim criticized the attitude of law enforcement authorities, saying, "I heard from the man who passed the booklet on to me that policemen ignored him when he brought the booklet to a police box. I'm concerned about the police if they take such an attitude."

Hanchongnyon Proposes 23 Jun Contact in Panmunjom

SK2905033994 Seoul KBS-1 Radio Network in Korean
0310 GMT 29 May 94

[Text] The Korean Federation of University Student Councils [Hanchongnyon] has proposed to its counterparts in North Korea and overseas to hold a working-level meeting on 23 June at Panmunjom to prepare for the fourth South, North, overseas youth, students' reunification festival.

Hanchongnyon Chairman (Kim Hyon-chun) met reporters at the Choson University this morning and said that such a decision was made at a meeting of chairmen of the South headquarters of the National Alliance of Youth and Students for the Country's Reunification [Pomchonghangnyon], which is a gathering of the chairmen of the Hanchongnyon chapters. He added that the general meeting of Pomchonghangnyon will also be held during the 15 August South-North youth, students' festival.

Hanchongnyon's Abrupt Move Causes Concern*SK3105091994 Seoul YONHAP in English 0842 GMT
31 May 94*

[Text] Seoul, May 31 (YONHAP)—The country's political circles, shocked by the pro-communist line taken by Hanchongnyon (The Korea Federation of University Student Councils) at its three-day anniversary ceremony in Kwangju late last week, are moving to act against the group's pro-North Korean bent.

During the ceremony, the activist student organization issued pro-North Korean statements and called the Korean war "the war for fatherland liberation," echoing Pyongyang's definition of the conflict.

Worried about activist students' pro-North Korean bent when the Stalinist state's nuclear program has become the focal point of international concern, the political circles are urging the government to do something about the students.

The ruling Democratic Liberal Party (DLP) expressed deep concern over Hanchongnyon's pro-communist line at a high-level meeting on Tuesday. Rep. Yi Se-ki, chairman of the policy committee, called the students' meeting "a worrying development" while giving a briefing on what happened in Kwangju.

Chairman Kim Chong-pil, unable to conceal his shock at the students' describing the Korean war as having been fought to liberate the fatherland, said, "They denounced our system and supported North Korea's communist system."

Other participants in the meeting were also surprised at the display of a miniature mockup of "the cultural palace of the people" in Pyongyang during the students' gathering in Kwangju.

Emerging from the meeting, spokesman Pak Pom-chin said, "communism has now become a tested legacy of history, and I can't understand how college students, as intellectuals, can call the Korean war the war for fatherland liberation, echoing the North Koreans' theory." He then called on the students to drop "the anachronistic behavior."

Secretary-general Mun Chong-su said, "I was told they put on display some miniature mockups of the house where Kim Il-song was born and the Cultural Palace of the people. What should I think of this display? It's beyond common sense and understanding, however hard I might try to understand in view of their status as students."

Chief policy coordinator Kang Sam-chae added, "It's shocking to hear them crying for the downfall of the civilian government despite the times having changed. It appears that they have now reached a dangerous level and we should not let them remain at this level."

Chairman Kim recently produced evidence that an apparent pro-North Korean organization has distributed leaflets to important figures which support Kim Il-song's planned power transfer to his son, Chong-il, under the *chuche* (self-reliance) ideology. Hanchongnyon then

declared a pro-North Korean line. Faced with these developments, the DLP plans to call a meeting with the government shortly to call for action against pro-North Korean elements in society.

Chongwadae [presidential offices], though shocked by Hanchongnyon's declaration of a pro-North Korean line, is moving to increase the people's sense of national security.

The combination of the nuclear issue having entered a critical phase, the inscrutability of North Korea's leaders and Hanchongnyon's abrupt move toward Pyongyang is causing Chongwadae officials great concern about pro-North Korean elements in the South.

In addition to thoroughly investigating communist sympathizers, the government should paint a true picture of Hanchongnyon so that the organization cannot take root in society, one official said.

"Those students, though small in number, denounce the legitimate civilian government based on popular support, while blindly supporting North Korea's *chuche* ideology and communism though their fictitiousness—this has already been proven. I'm just surprised that such students are still leading the student movement. The situation now requires us to increase our sense of national security, in addition to judicial action against them."

He added, "The North Korean nuclear issue is now facing a critical moment and there is the possibility that food shortages and other economic ills will force North Korea into abrupt action. These and Hanchongnyon's pro-North Korean line make us worry about national security."

He then called on South Koreans to cooperate in the government's investigation of Hanchongnyon leaders.

The opposition Democratic Party is critical of Hanchongnyon's pro-North Korean line, while attributing the student organization's stance to the confusion in the government's unification policy.

Supreme Councilor Cho Se-hyong said, "It's true that Hanchongnyon's inaugural statement contains some improper words and phrases. Nonetheless, I can't understand why the government is making a political issue of Hanchongnyon, rather than dealing with it according to the law."

"The government is heightening the people's unease by creating a tense atmosphere over the North Korean nuclear issue, and I demand that the government announce what measures it has to deal with the nuclear issue."

Soldier-turned politician Rep. Yim Pok-chin said, "Students had not been such activists until recently and I can't understand why and how they have changed into such activists."

Deputy spokesman Kim Yong-sok said, "It appears that students' radical demands and extreme acts have shocked citizens. But the government should be held partially responsible for the undesirable acts of students because it

has monopolized information on North Korea on the pretext of its being the sole agent of carrying out unification policy.

"The government should guarantee the freedom of unification policy debates and present its blueprint for unification to the people so that students will wake up from the illusion that they alone can achieve unification."

New Plan for Economic Assistance to North Studied

*SK2805025894 Seoul KBS-1 Radio Network in Korean
0200 GMT 28 May 94*

[YONHAP report from Tokyo]

[Text] Japan's NIHON KEIZAI SHIMBUN reports on 28 May that a new plan is being mapped out for the ROK, the United States, Japan, and international organizations to provide economic assistance to North Korea under the condition that North Korea accepts full-scope nuclear inspections [chonmyonjogin haeksachal].

NIHON KEIZAI SHIMBUN reported that the plan to assist North Korea was tapped out by the United States in a joint consultation meeting between the three countries. It also reported that it seems that the ROK and Japan already notified the United States that such a proposal will be dealt with (?positively).

NIHON KEIZAI SHIMBUN reported that therefore, there is a possibility that the United States will reveal a method for a comprehensive assistance at the third round of high-level DPRK-U.S. talks which is expected to take place early next month, depending on North Korea's attitude in the negotiations.

It was learned that the multinational assistance method the United States is planning is expected to include China, Russia, the World Bank, and the United Nations Development Program to organize a consultative body.

President Kim, Clinton Discuss Nuclear Issue

*SK3105024094 Seoul YONHAP in English 0220 GMT
31 May 94*

[Text] Seoul, May 31 (YONHAP)—President Kim Yong-sam had a telephone conversation with U.S. President Bill Clinton Monday morning and reaffirmed the Seoul-Washington system for close consultations on the North Korean nuclear dispute.

President Kim also explained the background of his upcoming visit to Russia, said Presidential Spokesman Chu Ton-sik.

Kim told Clinton that the international community's efforts to resolve the nuclear row peacefully face a grave challenge from North Korea's refueling operation at its 5-megawatt reactor.

Once again, Kim stressed the need for closer consultations between South Korea and the United States on the nuclear issue, Chu said.

The phone call, which lasted for about 20 minutes from 8:35 AM (KST), was made as Clinton was preparing to leave Washington for Europe to attend commemorative events marking the 50th anniversary of D-day.

The two leaders agreed that the dispute over Pyongyang's nuclear program has reached a very dangerous point and that their countries need closer consultations and resolute cooperation to cope with the situation, Chu said.

Clinton told Kim that the five permanent members of the UN Security Council are preparing to adopt a council presidential statement on the issue.

The statement would demand that North Korea immediately stop changing nuclear fuel rods at the reactor and guarantee inspections by experts from the International Atomic Energy Agency (IAEA), Clinton explained.

Although the statement would make no mention of possible sanctions against North Korea, Clinton said it would carry an important point urging Pyongyang to fulfill its obligations to settle the nuclear row through dialogue, according to Chu.

President Kim expressed his total agreement with the Security Council's initial attempt to resolve the issue through dialogue, Chu said.

But Kim also stressed to Clinton that there may be no other choice but to proceed with sanctions, the spokesman said.

Clinton said that if the firm cooperative system between Washington and Seoul was maintained and Japan's and China's support secured, no problem would arise that could not be resolved, according to Chu.

President Kim's visit to Russia carries import if he can secure Russian support on the issue, Clinton said.

Since China initiated the adoption of the Security Council president's statement on North Korea last time, it would feel obliged to go along with the United States, Japan and South Korea, Kim told Clinton.

America's recent renewal of China's most-favored-nation trading status would also help resolve the nuclear row, Kim added.

Since both presidents are about to embark on overseas trips, they have agreed to remain in touch through the phone anywhere and at any time, Chu said.

Kim and Clinton shared the opinion that they may have to discuss sanctions against North Korea during their trips, Chu said.

Asked about the significance of further and apparently urgent consultations by Kim and Clinton during their trips, Chu said the United Nations will have to proceed to sanctions if there is no sign of resolution following the first warning.

'Fruitless' U.S. Gestures in DPRK Talks Noted*SK3105005194 Seoul THE KOREA TIMES in English
31 May 94 p 2***[By staff reporter Son Ki-yong]**

[Text] With the North Korean nuclear row heading for a showdown in the United Nations Security Council, South Korean officials expressed dissatisfaction over the United States' fruitless diplomatic gestures to North Korea.

"Washington has so far made a series of concessions to Pyongyang without getting anything substantial in return," an official said.

Seoul dropped its demand, the exchange of special envoys, to help expedite Washington-Pyongyang talks and virtually gave a mandate to Washington to discuss the nuclear row with Pyongyang on a bilateral basis, minimizing its intervention for a quick solution to the nuclear impasse.

But North Korea showed no signs of yielding to international pressure aimed at seeking its nuclear transparency and has completed half of the refuelling of the five-megawatt reactor, whose inspection is decisive to determining whether the North has diverted nuclear materials.

Meanwhile, the United States first threatened to cancel any talks with North Korea if it goes ahead with the refuelling of the reactor. But it retreated from the position when Pyongyang started the controversial refuelling.

"As the United States yields to Pyongyang step by step without taking any punitive measures, North Korea is no longer taking U.S. threats as serious," the official said.

The official added that the time has come to employ a "stick" as a show of force, which will also give the United States an edge in future negotiations with North Korea.

His remarks were made in the same context with those by Deputy Premier Yi Hong-ku. Yi said in a recent meeting with newspaper editors that the declaration of a nuclear-free peninsula will be nullified if North Korea is confirmed to possess nuclear bombs.

The deputy premier later told lawmakers that his remarks were motivated at pressing the United States and the International Atomic Energy Agency to make further efforts to persuade Pyongyang to drop its nuclear weapons program.

Now that Seoul and Washington are moving to bring the nuclear issue to the U.N. Security Council, officials said that it is required to coordinate positions between them and set up a new approach to avoid a catastrophe.

Foreign Minister Han Sung-chu, returning from an early morning meeting of security-related ministers, summoned U.S. Amb. James Laney to his office and discussed measures to cope with the new developments.

In the meeting, President Kim instructed Han to consult with the four major countries involved, the United States, Japan, Russia and China as the Security Council is set to meet today to discuss actions against Pyongyang.

Han told Amb. Laney about what was discussed in a morning meeting of security-related ministers, presided over by President Kim Yong-sam at Chongwadae.

"Before President Kim's visit to Russia, we held in-depth discussions on various issues," Han told Laney at the start of the meeting.

A ministry spokesman said later that Han and Laney agreed to closely coordinate their policies.

"Han and Laney shared the view that the North Korean nuclear issue is entering the serious stage," the spokesman said.

They agreed to seek a negotiated solution to the nuclear issue but warned North Korea against eroding the basis for negotiations, he added.

If North Korea doesn't stop the refuelling right now, the foundation for negotiations will be completely shattered, he added.

Seoul, Washington Agree To Extend Trade Channel*SK2805023394 Seoul YONHAP in English 0226 GMT
28 May 94*

[Text] Seoul, May 28 (YONHAP)—South Korea and the United States agreed to extend their interim trade negotiating channel for one year, the Foreign Ministry announced Saturday, ending speculation that the channel would be closed due to trade friction between the two countries.

Assistant Foreign Minister for Economic Affairs Son Chun-yong, Seoul's top representative at the South Korea-U.S. Dialogue for Economic Cooperation (DEC), talked with Daniel Tarullo, assistant secretary of state for economic and agricultural affairs, over the phone Friday evening and agreed to the extension, the ministry said.

Presidents Kim Yong-sam and Bill Clinton launched the DEC at a summit in July 1993. Seoul hoped to keep the DEC functioning for one more year, but strained trade relations with Washington blurred the prospects until Thursday's final decision, ministry officials said.

The 12th South Korea-U.S. economic consultation opens between the two nations' vice foreign ministers in Washington on June 22, with a final report by the DEC to be adopted.

Technological Cooperation With Russia Analyzed*SK3005102594 Seoul CHUGAN CHOSON in Korean 2
Jun 94 pp 72-73*

[Article by Song Ui-tal: "Russia's Ultramodern Brains Are Coming in Flocks"]

[Excerpts] The Hanbit Apartments are at a 10-minute-drive from the Taedok Research Complex in Yusong District, Taejon city. About 20 blue-eyed members of the "Russian team" join in this apartment complex' soccer team practice at 0530 every morning. The "Russian team" is merely a pet name given by the residents of this

apartment complex, not a real soccer team representing Russia. They are high-level Russian technological brains who have been invited to and are working at the Samsung Space Aeronautical Research Institute. [passage omitted]

After an hour of exercise, they come to the office each morning on a 45-seat bus provided by the institute. They are researchers from the SDC [expansion unknown], a company specializing in engine design located in Moscow, Russia.

The SDC is a private company formed in 1989 by former researchers of "Soyuz," Russia's state-run engine designing bureau, with a total of 1,500 employees. A total of 28 came to ROK, including seven doctorate-degree holders. Most of them are from the Moscow (Molnini) University, which is called "Russia's MIT," and from the Moscow Aviation College. They came to this research complex last June under a one-year contract, and live in apartments ranging from 30-pyong [one pyong is equivalent to 3.954 square yards] to 45-pyong in size, provided by Samsung. They participate in debates with researchers from Samsung and in joint research projects, and sometimes offer advice.

Their specialized fields are mainly design and manufacturing of industrial gas turbine engines, as well as technological support for production. Samsung Aviation Company has intensively researched this field for several years, according to its long-term development plan. This being the case, the 28 Russians are providing technical training to the Samsung side in a person-to-person basis under a tight schedule in their three respective specialized fields—combustion, turbine, and compression. Kim Chae-chol (47), director of the company and head of a research and development team, said: The United States and Japan, which have ultramodern technology in these fields, have built thick barriers to protect their technology. Under this situation, cooperation from Russia's technological camp, which competes with the United States for the summit position of the world, is of great help to us. In the event that we obtain a broad range of technology, ranging from basic technology to high-level applied technology, including aircraft engine, the ROK will be able to enter into the rank of 10-top aviation industry states before long.

According to the materials of the Ministry of Science and Technology, since scientific and technological exchanges began on a full scale between the two nations in December 1990 when the ROK-Russia agreement on science and technology was concluded, the number of Russian scientists and technicians, who came to the ROK and stayed for over a month, was 95 in 1992 and 116 in 1993. This number is expected to reach 150 this year, thus showing nearly a 25 percent increase each year. [passage omitted]

The areas in which Russian scientists have remarkably advanced are ultramodern technology fields including space aeronautics, new materials, machinery, semiconductor, and chemistry, where the domestic technological foundation is relatively weak.

Government-supported research institutes, including the Korea Institute of Science and Technology, Atomic Energy

Research Institute, Energy Research Institute, Machinery Research Institute, and Standardization Research Institute; civilian enterprises that are in true need of basic and ultramodern science and technology; and even universities, competitively employ Russian scientists and technicians. Thus, they are accelerating the development of new technology. In particular, practical joint research results have appeared in succession in certain research project domains. Such results are being accepted as a "green light" for strengthening the nation's competitive power in industrial fields. [passage omitted]

In 1992, the ROK and Russia, for the first time, jointly applied for patents for automobile oil filters; carbon pellicle coating equipment, and natural gas engines. This is regarded as an example of the achievements attained with the support of Russian scientists.

Civilian business firms are inviting Russian scientists more actively than government-supported research organizations, thus attracting the people's attention. This trend is being led by large business groups such as Samsung, Daewoo, and Lucky-Gold Star. Samsung was the first business group to employ Russian scientists under long-term contracts. In April 1992, Samsung employed Mr. (Georgiy Park), a Moscow University doctorate degree graduate with a major in semiconductors, under a one-year contract basis. He has been in charge of the joint research development of optical electronics at the Samsung General Research Institute in Kihung, Kyonggi Province. He is known to be a third-generation Korean in Russia. He worked as senior researcher at the (Ioepe) Research Institute and (Polius) Research Institute, renowned as authoritative research institutes in Russia.

In addition, the Samsung General Chemical Company invited four technicians from the (Kalkin) Research Institute, which is reputed for its development of new ultramodern materials of synthetic chemistry, to work in its chemical research institute at the Taedok Research Complex, starting in November 1993. [passage omitted]

What interests the people is that the Russian technical teams' activities have even extended to the domestic "beer war." On 20 May, the Chillo Group's "Kas Beer" challenged "Hite Beer" and "OB-Ice Beer." [passage omitted]

The Russian scientists actively responded to the request for participation in long- and short-term joint projects by major universities including the Seoul University, Inha University, Catholic University, Kyongbuk University, Kyonghui University, and Hongik University, and the number of Russian scientists participating in domestic projects ranges from 20 to 50 each year. The Russian scientists' advance to the ROK has been prompted by the increasing demand for them by our domestic business groups. A ROK business firm can acquire high-level technology, which cannot be obtained from any other advanced country, by paying a low salary of between \$1,000 and \$2,000 a month. This being the case, the increase in demand is quite natural. On the other hand, the Russian scientists are paid three times more in the ROK than in their home country.

However, relevant officials from business circles point out that since the treaty for the prevention of double taxation between the ROK and Russia and other CIS countries has not been concluded, Russian scientists are subject to pay over 20 percent higher tax- rate. As a result, instances in which Russian scientists have refused our side's employment proposals are increasing. Besides, precise materials concerning the background of Russian research institutes and scientists are not available at home, thus causing difficulties in choosing Russian scientists.

Yi Chin-kyu, secretary at the technical cooperation section in the Ministry of Science and Technology, pointed out that "Russia has recently emerged rapidly as a source for our nation to import ultramodern technology, pushing aside the United States, Japan, and the European Union. With a view to invigorating the exchange of scientists between the ROK and Russia, the government will abolish various restrictions, including the ratification of the treaty for prevention of double taxation and the simplification of the visa issuance procedure, and will work out plans for the active inducement of Russian scientists."

U.S. Decision on China's MFN Status Hailed

SK3005074294 Seoul YONHAP in English 0726 GMT 30 May 94

[Text] Seoul, May 30 (YONHAP)—The South Korean Government Monday hailed the U.S. decision to extend China's most-favored- nation (MFN) status as a positive influence on Asia-Pacific trade.

"The government of the Republic of Korea welcomes the United States' decision to extend China's MFN status as a very practical action," a Foreign Ministry official said in a commentary.

The decision, coupled with the resumption of comprehensive U.S.- Japan trade negotiations, would enhance trade activities in the Asia-Pacific and positively influence the launching of the World Trade Organization (WTO), the official said.

PRC, Seoul Agree on Military Exchanges

SK3105024494 Seoul YONHAP in English 0211 GMT 31 May 94

[Text] Beijing, May (YONHAP)—South Korea and China have decided to push with exchanges of military personnel, using the momentum of military attaches having been installed at their embassies, the office of the military attache at the Korean Embassy here said Monday.

The agreement was reached Monday during a meeting between visiting Lt. Gen. Yu Chong-kap, chief of the Defense Intelligence Headquarters, and Lt. Gen. Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army. This was the first top- level military meeting ever held by the two countries.

Accordingly, exchange visits by military personnel could begin in the latter half of this year.

During the 40-minute meeting, the two sides traded views on tensions on the Korean peninsula and military movements in North Korea, as well as on wide-ranging and long-term military cooperation.

Armed Forces on Alert During President's Absence

SK3105014994 Seoul YONHAP in English 0138 GMT 31 May 94

[Text] Seoul, May 31 (YONHAP)—The Armed Forces and police were put on alert Tuesday [31 May] as President Kim Yong-sam leaves the country Wednesday on a week-long state visit to Russia.

During the alert, major Armed Forces commanders will stay within reach of military communication networks 24 hours a day and the Army, Navy and Air Force will intensify surveillance of North Korea's military movements.

The status of combat readiness adopted temporarily by the Armed Forces last November has been extended indefinitely in view of the tension caused by the North Korean nuclear standoff.

The police will also intensify their emergency preparedness during President Kim's absence from the country.

30,000 Students Rally 'Peacefully' in Kwangju

SK2905121194 Seoul KBS-1 Radio Network in Korean 1100 GMT 29 May 94

[Report by the Kwangju Broadcasting General Bureau]

[Text] A ceremony marking the inauguration of the second-term Korean Federation of University Student Councils [Hanchongnyon] has been held in Choson University in Kwangju for three days from 27 May. Contrary to the people's worries, the event was held peacefully.

On the afternoon today, the last day of the inauguration ceremony, about 30,000 Hanchongnyon students staged a rally of resolution for clarification of the truth in the 18 May [1980] incident at the plaza in Kumnan-no in front of the provincial office building in Kwangju. They called for a probe in the 18 May incident and the punishment of the responsible figures.

After the rally, the college students staged a street demonstration passing by the office building of the Democratic Liberal Party and the U.S. Cultural Center. However, there were no clashes between them and police.

The students, who attended the ceremony for Hanchongnyon inauguration, held final rallies in Chonnam University and Choson University after street demonstration. After the rallies, they left for homes by buses.

The Hanchongnyon's inauguration ceremony, which started on 27 May, did not show any act that raises problem, such as excessive demonstrations in downtown and attempt to contact North Korean students through telephone or faxmile. Thus, the event showed a drastically changed shape.

Burma

Khun Sa's Forces Close in on Tachilek

BK3005072794 Bangkok BANGKOK POST in English
30 May 94 p 8

[Text] Forces of the rebel Shan warlord Khun Sa have pushed to within 6 km of the strategic eastern Burmese town of Tachilek, where 700 government troops face food and water shortages, a rebel source said yesterday.

"We hope to capture Tachilek," an official of Khun Sa's Mong Tai army said. "Our men are very near to the town and the defenders are nearly out of food."

Last week the rebels, mostly members of Burma's minority Shan population, reportedly stormed three Rangoon government bases near Tachilek and blew up a dam at the town's main reservoir.

Heavy fighting at the three government outposts on hills surrounding Tachilek between May 17 and 27 resulted in the deaths of 160 Burmese troops and 80 wounded, according to the Mong Tai army official, who spoke on condition of anonymity.

He said 17 Mong Tai army troop were killed in the fighting and another 39 were wounded.

Tachilek is the main border trade link to the northernmost Thai town of Mae Sai, 1,165 km north of Bangkok.

Burmese forces had been reinforced in the area in recent months in anticipation of a major offensive, but the Shan rebels launched a series of attacks two weeks ago that appeared to put Rangoon government troops on the defensive.

The Mong Tai army official said two Burmese military jets based at an air base at Tachilek flew two sorties May 17-18 during fierce fighting around the village of Mong Kyawt, about 24 km from the Thai border.

He said the Burmese jets dropped bombs from a high altitude because "they are afraid of our missiles."

Khun Sa's army, financed through taxes on opium caravans and heroin refineries in the Shan State, is equipped with surface-to-air missiles.

The half-Shan, half-Chinese warlord has been indicted on drug trafficking charges by a US federal court.

A Thai Third Army officer at the border identified the Burmese jets as F-7 fighter-bombers, which had been purchased by the Rangoon government from China.

The fighting in Burma has forced hundreds of Shan, Akha and Lahu tribesmen to seek shelter in Thailand because they fear being rounded up and forced to carry munitions for the Burmese.

Burma's military government, which has been trying to establish its control in the Shan State and other rebel-held areas for more than 40 years, routinely uses press-ganged civilian "porters" to carry supplies.

KNU Leader Denies Alliance With Khun Sa

BK2905142194 Bangkok THE SUNDAY NATION in English
29 May 94 p A2

[Text] MANERPLAW—Karen guerrilla leaders have denied that their group has formed a political or military alliance with opium warlord Khun Sa and his Mong Tai Army (MTA).

They said any connection with Khun Sa would only tarnish the Karen's anti-narcotics image and reputation.

But they did accept that a Karen team had recently made a trip to the MTA-controlled area in southern Shan State and met Khun Sa.

Leaders of the Karen National Union [KNU] said in separate interviews that the two-member Karen delegation went to attend the celebration of Khun Sa's declaration of an independent Shan State and his appointment as Shan State President.

The delegation also studied how the MTA had acquired logistics and military supplies.

The Karen statements came amid strong rumours and reports that the Karen and the MTA have struck a deal to cooperate in their fight against the ruling Burmese military regime in Rangoon.

The Burmese defence attache to Bangkok, Col Thein Swe, told The NATION early this month that the Karen team went to Shan State between April 10-12 to teach Khun Sa's private army how to produce anti-personnel mines, and to help set up a munitions factory.

Thein Swe's charges have been rejected as "groundless accusations" aimed at discrediting the Karen and anti-Rangoon ethnic movement.

In separate interviews with The NATION, KNU President Gen Bo Mya, KNU secretary-general Badow Ba Thin, and KNU secretary for the organisation department, Maj Gen Maung Maung, flatly rejected the Burmese junta's allegations and denied any cooperation with Khun Sa and his Mong Tai Army.

They said the allegations were intentionally spread to discredit the Karen image and reputation, as the KNU had long been widely accepted as being against the drug trade. Bo Mya said much of the information about the Karen and Khun Sa was "exaggerated and untrue".

"There is no military cooperation, or any type of political cooperation, between the KNU and Khun Sa and his MTA. And there will be no cooperation in the future, because I feel that there is some kind of understanding between Khun Sa and Slorc [State Law and Order restoration Council]," said Bo Mya.

The Burmese junta Slorc, or the State Law and Order Restoration Council, staged a coup in September, 1988 to suppress a nationwide pro-democracy protest.

Bo Mya said the Karen delegation went to Khun Sa's area to attend the inauguration ceremony after Khun Sa declared the independence of the Shan State. The purpose

of the trip was "to study his type of (political) system, how many people attended it (the ceremony) and the real feeling of the Shan population."

According to Maj Gen Maung Maung, Khun Sa had sent men to the KNU to ask about developments in peace talks between the Karen and SLORC, and invited the Karen to send representatives to the Shan celebration.

The two men sent to Shan State were KNU Operation Commander, Lt Col Law Wadi, and Lt Col Isaac, the KNU assistant quarter master responsible for rations and military equipment.

KNU secretary-general Badow Ba Thin said the Karen team studied how Khun Sa could purchase new supplies of arms and ammunition.

He rejected the allegation that the Karen trained the Mong Tai Army in how to produce landmines, saying that the MTA already had the capacity to do so with the help of some Europeans.

"We got information that the MTA was able to purchase arms and ammunitions and can get new supplies. We wanted to know how he could obtain them," said Ba Thin.

"We also understand that Khun Sa is in a position to manufacture landmines because some Europeans visit his area very frequently."

While the KNU staunchly denies any official deals with Khun Sa, well-informed border sources confirmed that the Karen and other anti-Rangoon ethnic movements have constant low-level and unofficial contacts with the MTA and the 11 ethnic groups that have already reached an official ceasefire agreement with SLORC.

One source said such contacts are normal and "crucial to the survival and operations of the armed ethnic groups, who often share overlapping territory and objectives.

"Most important of all they share the same enemy," said the source.

One KNU official, who requested anonymity, told *The Nation* that the Karen would consider or take whatever measures or steps they have to if they are forced into a corner.

He was apparently pointing to the pressure put on the group by some Thai authorities and brokers, who have threatened to cut supply lines or push back ethnic refugees unless the Karen enter peace negotiations with SLORC.

"We cannot rule out anything and have to consider every possible means ... The enemy of my enemy is my friend," the official said.

SLORC has urged the Karen, the Mon and the Karenni—the three remaining active armed groups fighting the Rangoon regime—to hold ceasefire talks, but has ruled out similar negotiations with Khun Sa, saying that Rangoon considers him a drug trafficker and will deal with him by force.

Troops Claim Three Government Bases Captured

BK2905102794 Bangkok THE SUNDAY POST in English 29 May 94 p 4

[Text] Mae Sai, Chiang Mai—Khun Sa's Mong Tai Army (MTA) claimed yesterday it inflicted severe damage on Rangoon's forces during ten days of fierce battles in the Shan State opposite northern Thailand.

MTA claimed in a statement yesterday it had killed 150 of Rangoon's troops and injured about 100 others.

The statement claimed the MTA had also captured three government bases and destroyed a dam which has flooded the Mae Sai River near Tachilek.

The main column of MTA soldiers have moved closer to Tachilek, a government-controlled border town opposite here, MTA sources claimed.

The opium warlord's army lost 17 guerrillas and suffered 39 injuries during the fighting described as the heaviest in 40 years.

The war has sent a large number of Burmese villagers across the border but many have been sent back by Thai authorities who have beefed up security along the border to prevent the fighting from spilling over.

Troops from the Third Army and Border Patrol policemen have been sent to man border passes along the Thai-Burmese frontier.

Tachilek has been nearly deserted since the fighting began.

Young men have left the town to stay closer to the border in apparent preparation to cross over leaving women children and the aged behind for fear of being recruited to become arms porters.

The Burmese border town, which only days ago was bustling with trading activity, has become quiet because of the drastic drop in Thai and foreign tourist arrivals.

Tachilek is now being defended by about 500 government troops.

Military sources said Rangoon's military drive against Khun Sa's MTA was aimed at opening up a strategic route in the Shan State for the government force to attack three minority rebel groups along the Thai western border.

The sources claimed SLORC [State Law and Order Restoration Council] planned to open an all-out military campaign against the Karen National Union [KNU], the Karenni Nation Progress Party [KNPP] and the New Mon [State] Party [NMSP] if peace talks failed.

Rangoon has negotiated a peace settlement with eight northern minority groups. The Kachin Independent Organisation, the second largest member of the anti-Rangoon Democratic Alliance of Burma [DAB] has become the latest rebel movement to lay down arms.

No headway has been made in peace talks between SLORC and the KNU, the KNPP and the NMSP because Rangoon wants negotiations to be held in Burma and the others,

especially the KNU, which is the largest member of the DAB, wants the talks in a neutral country.

The sources said Rangoon was expected to declare all-out war with the three rebel factions if the peace talks failed, by telling the world it had done its best to stop the armed struggle.

Delegation Leaves for Nonaligned Meeting

*BK2805063194 Rangoon Radio Burma in Burmese
1330 GMT 27 May 94*

[Text] U Ohn Gyaw, leader of the Myanmar [Burmese] delegation and minister of foreign affairs, left Yangon [Rangoon] by air this afternoon to attend the 11th foreign ministers' meeting of the Nonaligned Movement to be held in Cairo, Egypt.

The Myanmar delegation was seen off at Yangon airport by Lieutenant General Myo Nyunt, minister of religious affairs; Lt. Gen. Kyaw Ba, minister of hotels and tourism; responsible personnel and family members.

The leader of the Myanmar delegation was accompanied by Major General Kyaw Than, shadow leader of the delegation, commander of the Central Military Command, and chairman of the Mandalay Division Law and Order Restoration Council; U Khin Maung Win, deputy director general of the Ministry of Foreign Affairs; U Thaung Tun, secretary of the delegation and director of the Ministry of Foreign Affairs; U Aung Gyi, Myanmar ambassador to Egypt; U Pe Thein Tin, Myanmar ambassador to Pakistan; U Win Lwin, Myanmar ambassador to India; and U Nyunt Tin, Myanmar ambassador to Indonesia.

Sein Win Message Marks Election Anniversary

BK2905103094 Oslo Democratic Voice of Burma in Burmese 1430 GMT 27 May 94

[Message from Dr. Sein Win, prime minister of the National Coalition Government of the Union of Burma, to the Burmese people on the 4th anniversary of the multiparty general election—recorded]

[Text] Dear parents and people: I am very grateful for the opportunity to convey my message to you through the Democratic Voice of Burma on this important occasion, the 4th anniversary of the 1990 general election. At this important moment, it is right for the everyone, including the defense services personnel, to ask the following questions: What is happening in our country? Who are the persons most responsible for what is going on in the country? What caused these things to happen? How can the country be extricated from these crises?

The political, economic, and social conditions have been deteriorating. Burma has been listed as the least developed nation in the world and the poorest nation in Asia. Amid these political crises, the government which the people are demanding and yearning for is yet to emerge. The people are facing social problems and human right violations.

Dear parents and people: Who are the persons most responsible for these events? It could not be denied that General Ne Win, Senior General Saw Maung, the present generals and colonels of the State Law and Order Restoration Council, and SLORC Chairman Sr. Gen. Than Shwe, the leaders of the military clique which have been ruling Burma for 30 years, are responsible for these events. These events took place because they took the wrong path after the 1962 coup. They practiced the Burmese way to socialism, which said the precepts could be observed only when the belly is full. In the end, the people have reached the point where they cannot fill their bellies nor observe the basic precepts of everyday life.

Dear parents and people: The Defense Services is interfering in government administration and economy, which are irrelevant to the Defense Services, while going astray from its original responsibilities of defending the nation and fulfilling the desires of the people. The generals, colonels, and former military officers are also taking the high official positions. It is the beginning of the destruction of the country. Instead of resolving the political problems by political means, the Defense Services is increasing the military budget excessively and (re)establishing militarism in the country). Now the generals have also created their own dollar market.

Dear Parents and People: There is only one way to extricate Burma from all these crises. That is, the Defense Services has to stop continuing its previous mistakes and find a solution by holding discussions with the democratic force led by Daw Aung San Suu Kyi and the national ethnic forces. This is the only answer. If the Defense Services continue to meet with only whom it wants to meet and do what it wants to do, then the national interests, including the interests of the Defense Services, will be affected.

Dear parents and people: Up to this date, the SLORC has ignored the wishes of the people and the 1990 election results. It is a disgrace for the SLORC to say to the international community that the election was free and fair at first, and then to say later that a firm constitution is needed after the NLD [National League for Democracy] led by Daw Aung San Suu Kyi won the landslide victory. We strongly believe that the political power must originate with the people. Due to the changes in the world and the political changes in Burma, there is no doubt that people will get the democracy which they are yearning for.

Not long ago, Daw Aung San Suu Kyi mentioned that we cannot say all the problems will be resolved on their own once democracy is achieved, but when democracy is achieved all people will have the right to contribute their utmost in the development of the country. We all must understand this. Help one another. Especially, people have to be aware of SLORC's attempt to drive a wedge between the people and the Defense Services, among the people, and among the students. Continue to struggle with your unwearied diligence.

Dear parents and people: I extend my best wishes for your health and prosperity.

NCGUB General Election Anniversary Statement*BK2905140794 Oslo Democratic Voice of Burma in Burmese 1430 GMT 28 May 94*

["Excerpts" of statement issued by the National Coalition Government of the Union of Burma on the fourth anniversary of the 1990 multiparty general election on 27 May]

[Text] The date 27 May is the fourth anniversary of the 1990 multiparty general election in which the National League for Democracy led by Daw Aung San Suu Kyi won a landslide victory. The result of this election showed the desire of the entire Burmese citizenry for democracy. The SLORC [State Law and Order Restoration Council] military clique has denied this desire for democracy and continued to refuse to hand over state power to the elected civilian representatives. Moreover, the SLORC has also detained Daw Aung San Suu Kyi and other parliamentarians and democratic activists. The SLORC military clique is not only violating human rights by arresting civilians as forced laborers, but it has also conducted cease-fire negotiations while isolating the ethnic and democratic forces with the help of some neighboring countries. The Thai Government is also strongly prohibiting the democratic activities of the anti-SLORC groups inside Thailand. The rank and file from the Defense Services, except the SLORC military leaders, are also suffering from poverty like ordinary civilians.

In respect to [words indistinct] and various situations, the National Coalition Government of the Union of Burma has made the following demands:

Avoid giving legal recognition to the SLORC military clique and the National Convention organized by the clique, stop the SLORC human rights violations, find ways to hold (?a meeting) that will allow Daw Aung San Suu Kyi and other nationality leaders to participate in it, and make SLORC comply with the UN General Assembly resolution on Burma and the International Human Rights Charter.

The statement also said the American Government must lay down a clear-cut policy on Burma. It also called for the cancellation of Thailand's invitation to Burma to attend the ASEAN Foreign Ministers' Meeting, continued denunciation of the SLORC (?by countries which helped pass the UN resolution on Burma and by other countries), and urged the UN secretary general to appoint a special Burmese envoy soon.

Minister, Indonesian Delegation Hold Talks*BK2705140794 Jakarta ANTARA in English 0943 GMT 27 May 94*

[Text] Yangon [Rangoon], May 27 (ANTARA) - The Indonesian delegation headed by Coordinating Minister for Industry and Trade Hartarto on Friday morning made a study tour of industrial projects at Syriam, a suburban town opposite to Yangon [Rangoon] across the Yangon River.

On Friday afternoon, the Indonesian businessmen who came here as part of the Indonesian delegation met and held talks with the Myanmar [Burma] minister for trade, Lt. Gen. Tun Kyi, for promoting trade relations between the two countries.

Minister Tun Kyi and Myanmar trade officials and Indonesian businessmen discussed ways and means of increasing trade between Myanmar and Indonesian during the talks.

On Thursday morning, after the briefing given to the Indonesian delegation by Minister for National Planning and Economic Development Brig. Gen. Abel on Myanmar's economic development and business opportunities in Myanmar, Myanmar government ministers and members of the Indonesian delegation, including businessmen held discussions at the International Business Center in Yangon on matters relating to investment and trade.

During these discussions, Minister Hartarto urged the Indonesian businessmen to play an effective role in the development of Myanmar's economy.

Hartarto reiterated what Minister of Tourism, Post, and Telecommunications Joop Ave had earlier stated about Indonesia's willingness to provide training and technical assistance to Myanmar for its development of tourist industry.

Hartarto also stressed the need for implementing easy and quick telecommunications services for bringing about economic cooperation between Myanmar and Indonesia.

"We will see to it that the telecommunications services between the two countries will soon be extended," Hartarto said at the discussions.

According to Brig. Gen. Abel's briefing, 91 economic organizations from 16 nations have invested in Myanmar about 1.056 billion U.S. dollars within five-year period from September 1988 to March 1994.

The Indonesian delegation will leave for home at 3 pm on Friday.

Myanmar government officials here look upon the visit of Indonesian delegation led by Hartarto as "a great success" that will usher in a new era of economic cooperation between the two countries for mutual benefit.

Brunei, Malaysia & Singapore**Malaysia****Mahathir Denies CNN Report on Arms for Bosnia***BK3105094594 Kuala Lumpur BERNAMA in English 0648 GMT 31 May 94*

[Text] Kuala Lumpur, May 31, (OANA/BERNAMA)—Prime Minister Dr Mahathir Mohamed Tuesday denied a Cable News Network (CNN) report that Malaysia intends to supply arms to the Bosnians in their struggle against Serb aggression in Bosnia-Herzegovina. "If somebody is providing arms to Bosnia, we know nothing about this

thing," he told reporters here when asked to comment on a CNN report Tuesday, claiming that Malaysia, Iran and Turkey will supply arms to the Bosnians.

Dr Mahathir said Malaysia was only providing arms to its 1,500 soldiers serving under the United Nations Protection Force (UNPROFOR) in Bosnia-Herzegovina.

The CNN report could have misinterpreted this as supplying arms to the Bosnians, he added. We are not in the gun running business, he said.

Minister Welcomes Clinton's Decision on MFN

BK2805090894 Kuala Lumpur Voice of Malaysia in English 0600 GMT 28 May 94

[Text] Malaysia's opposition to any moves to link trade with human rights issues does not mean that it condones any form of injustice. Deputy Prime Minister Datuk Sri Anwar Ibrahim said the opposition was made because it is not proper to link trade with human rights issues. Malaysia's stand has been consistent in that from the start it had maintained that there should be no connection between trade and human rights issues. He told newsmen this in Kuala Lumpur.

Datuk Sri Anwar, who is also finance minister, was commenting on the United States decision to renew the Most Favored Nation, MFN, status for China. President Bill Clinton, in announcing the decision, said the policy of linking the annual renewal of the MFN with improved human rights should no longer be practiced. Datuk Sri Anwar said Malaysia welcomes Clinton's decision because this is consistent with Malaysia's stand that trade should not be linked with human rights issues.

Bilateral Agreements Signed With Turkmenistan

BK3105071794 Kuala Lumpur BERNAMA in English 0307 GMT 31 May 94

[Text] Kuala Lumpur, May 31 (OANA-BERNAMA)—Malaysia and Turkmenistan Monday, signed five bilateral agreements, paving the way for both countries to further strengthen bilateral relations and enhance economic cooperation.

The agreement on economic, scientific and technical cooperation was signed by acting Foreign Minister Abu Hassan Omar, who represented the Malaysian Government, and Rizaeva Abad Sakhatovna, the deputy chairman of the cabinet of ministers of Turkmenistan.

The trade agreement was signed by Abu Hassan while the Turkmenistan Government was represented by Saparov Rejep Saparovich, the deputy chairman of the cabinet of ministers.

The agreement for the promotion and protection of investments was signed by Abu Hassan and Sarjaev Batyn Kurbanovikh, the deputy chairman of the cabinet of ministers.

The fourth agreement, concerning the partial abolition of visa requirements, was signed by Abu Hassan and Shikmuradov Boris Orazovich, the deputy chairman of the cabinet of ministers.

The final agreement on payments arrangement was signed by Malaysian Central Bank governor, Ahmad Mohamed Don and the chairman of the State Central Bank of Turkmenistan, Orazov Khidaiberdy Artykovich.

The signing ceremony at the Prime Minister's Department was witnessed by Prime Minister Dr. Mahathir Mohamed and Turkmenistan President Saparmurad A. Niyazov.

Turkmenistan President Arrives for Visit

BK3005092394 Kuala Lumpur BERNAMA in English 0416 GMT 30 May 94

[Text] Kuala Lumpur, May 30 (OANA-BERNAMA)—Turkmenistan President Saparmurad A. Niyazov arrived here Monday for a three-day official visit to the country.

Niyazov and his delegation comprising five deputy prime ministers, five cabinet ministers, six provincial governors and senior government officials were met on arrival at the Kuala Lumpur international airport by acting Foreign Minister Abu Hassan Omar.

Niyazov was officially welcomed by the Yang di-Pertuan Agong (the king) Tuanku Jaafar and Prime Minister Dr. Mahathir Mohamed at parliament square.

Dr. Mahathir later called on Niyazov at the state guest house, Carcosa Seri Negara.

Niyazov and Dr. Mahathir are scheduled to hold official talks on matters of mutual interest at the Prime Minister's Department.

They will witness the signing of five agreements including an agreement on trade and investment and on economic, scientific and technical cooperation between the two countries.

Cooperation Meeting With Indonesia Concludes

BK3005151094 Kuala Lumpur NEW SUNDAY TIMES in English 29 May 94 p 4

[By Sager Ahmad]

[Excerpt] Kuala Lumpur, Sat—The signing of the agreed minutes of the third Malaysia-Indonesia Joint Commission (JCM) for bilateral cooperation was carried out today after it was postponed yesterday due to 'disagreement' by both parties.

Foreign Ministry's secretary-general Tan Sri Ahmad Kamil Jaafar signed on behalf of Malaysia while Indonesia was represented by its Foreign Department's director general for Political Affairs Izhar Ibrahim.

A 13-point joint statement was issued at the end of the meeting attended by 65 senior officials from both countries.

The statement said the two parties expressed satisfaction at the excellent state of bilateral relations and cooperation between the two countries that has developed since the last JCM held in Jakarta in February last year.

According to the statement, the JCM, held here for three days from May 26, agreed that the Joint Working Group on the disputed Sipadan and Ligitan will hold its third meeting in Jakarta between September 7-9.

It agreed to continue cooperating in resolving the Aceh illegal immigrants issue and exchanged views on resolving issue pertaining to Indonesian migrant workers in Malaysia.

The JCM also discussed the proposal to delimit the Exclusive Economic Zone (EEZ) boundary between the two countries and agreed on its early resolution.

The statement also said the JCM endorsed the decision of the Tripartite Technical Experts Group (TTEC) to conduct a second survey of the Straits of Malacca to further enhance safety and navigation in the Straits.

It also said that the meeting discussed student exchange programmes to promote mutual understanding especially among the younger generation and steps taken to facilitate the implementation of various existing programmes.

The role of the active private sector participation in enhancing further bilateral trade and investment through joint venture projects, trade fairs, exchange of information and investment mission was also discussed.

The JCM, according to the statement, agreed that a meeting to review the 1970 Border Trade Agreement to be held in Jakarta on August 9 to 11 to promote cross-border trade.

The JCM also agreed that the two countries intensify efforts to counter the anti-tropical timber and eco-labelling campaign.

The meeting agreed that co-operation in a broad range of fields including commodities, agriculture, tourism, air services, education, science and technology, information as well as technical co-operation be further enhanced. [passage omitted]

Singapore

Deputy Prime Minister Hails Clinton Move on MFN

BK3005131294 Singapore THE STRAITS TIMES in English 30 May 94 p 1

[Excerpt] Singapore has applauded U.S. President Bill Clinton's decision on Friday to renew China's Most Favoured Nation [MFN] status.

"It was the right thing to do," said Deputy Prime Minister Lee Hsien Loong yesterday.

"I am glad the President took the hard but right decision," he told reporters when he officiated at NTUC's [National Trade Union Congress] May Day Family Gathering at the Singapore Zoological Gardens.

In a turn-around of policy, Mr Clinton also announced that he would sever the link between China's MFN status and human rights. He had imposed the improvement of China's human rights record as a condition for MFN renewal.

He is now facing pressure from American legislators, including those from his own Democratic Party who are enraged by his about-face on China.

NTUC chief Lim Boon Heng, who was also present at the NTUC function, also welcomed the move: "Any measure that promotes world trade will be good for Singapore. Singapore entrepreneurs should take advantage of the better business climate in China." [passage omitted]

PRC 'Should Not Gloat' Over U.S. MFN Renewal

BK2905144094 Singapore THE STRAITS TIMES in English 28 May 94 p 34

[Editorial: "China needs to reciprocate"]

[Text] It would be bad taste to consider President Bill Clinton's decision to extend Most-Favoured-Nation (MFN) trading status to China for another year as a case of eating humble pie. It was painful to have to acknowledge that he had been wrong to use the trade bludgeon to improve human rights in China. Saying the policy had "outlived its usefulness" would not fool those who had tracked this doomed approach, but it was the best construction that could be put on a policy blunder. But Mr. Clinton was honest; credit due to him for that would, it is hoped, ease the disappointment of having to endure another setback in a spell of political and personal reverses. For China, there must be immense satisfaction that it has bent America to its will on the cold logic of economics and its strategic importance to a world which has discarded one by one the old assumptions valid during the era of the U.S.-Soviet contest. But it should not gloat. The MFN tussle was not a chess game to determine which of the two countries could manoeuvre more smartly. China prevailed in spite of itself; its harsh treatment of citizens who disagree openly with the government cannot continue, with or without the censure of world opinion. Rather, what this episode proved was that despite mutual distaste—over America's meddlesome policies and China's intrusive policing of its citizenry—the U.S. and China need to seek a form of accommodation that will stand them in good stead into the next century. China can be a benign force for stability in the Asia-Pacific region: exerting pressure on North Korea to minimise the nuclear risk, its vibrant growth spreading prosperity down to Indochina and Southeast Asia, economic expansion taking the sting out of whatever hegemonic intensions it may have.

Recognising that withholding trade privileges would bring misery to millions of workers in China, Hong Kong and the U.S. in return for minimal gains in human rights compliance would, one hopes, bring about a new enlightenment in America's relations with big and potentially powerful nations. Economic need now surpasses pure ideology. That has been much conceded by Mr. Clinton with the tacit

disavowal of his executive order linking renewed MFN to "significant progress" in China's handling of human rights issues. Consider some numbers—182 countries enjoy MFN with the U.S. with only nine denied it; 150,000 American jobs will be in jeopardy if China could sell only a fraction of the U.S.\$33 billion worth of goods it sold to the U.S. last year.

For people in Asia, relief that a collision has been averted must be tempered by this realisation: as much as Mr. Clinton's backdown will not be cost-free where his domestic standing and re-election chances are concerned, China needs to return the favour. That simply means that it has to treat its people better. Torture, disappearances in the night, inhumane incarceration, now an embarrassment, would be unacceptable infractions as China comes up in the world. The White House National Security Adviser, Mr. Anthony Lake, was not trying to salvage a bad situation when he said the American spotlight on human rights had concentrated Chinese minds on the issue. America did make a candid contribution. Mr. Clinton says his country will persist with the crusade. With the linkage with trade removed, it all looks more palatable. Asian countries, on their part, have to use moral persuasion and quiet diplomacy to impress upon China the need to reciprocate America's gesture by taking the brutishness out of its treatment of political prisoners. But a distinction has to be made: using human rights as a cover for imposing so-called minimum labour standards as a means of cancelling out the developing world's advantage must be exposed for what it is. The U.S. and France, egged on by certain human rights watchdog groups, have kept this on the backburner despite a roasting they received at the GATT conference in Morocco recently. But it will not go away.

Cambodia

Khieu Samphan on Issue of KR Joining Government

BK2805095494 Hong Kong AFP in English 0919 GMT 28 May 94

[Text] Phnom Penh, May 28 (AFP)—Khmer Rouge [KR] leader Khieu Samphan has raised the possibility of group members joining the Cambodian Government and armed forces in a speech to peace talks in Pyongyang.

In the speech dated Friday, and obtained here Saturday, Khieu Samphan said Cambodia should set up a framework "to be used as the basis for the formation of the national government and the unified national army which include all the Cambodian national parties."

The government has yet to give a statement on the progress of the talks which started Friday and are scheduled to last until Monday. Officials said no other information was available outside Pyongyang.

King Norodom Sihanouk is hosting the talks between co-premiers Prince Norodom Ranariddh and Hun Sen, parliament chairman Chea Sim and Khieu Samphan at his residence near the North Korean capital.

The talks are based on a peace plan proposed by King Sihanouk six months ago that would give the Khmer Rouge government posts in return for ceasing guerrilla activities. They would have to open up their zones and merge their fighters with the Royal Cambodian Armed Forces.

The Khmer Rouge earlier expressed support for a ceasefire proposed by the king and the setting up of a joint ceasefire commission. But the group said final approval would be dependent on the participation of international observers.

Prince Ranariddh and Hun Sen have already agreed to a ceasefire if the two sides fail to reach a political solution at the talks and suggested June 15 as a starting date.

The rebels, however, accused the government Friday of undermining the peace process by seeking foreign military aid, citing the visit of a U.S. defence official as evidence that Washington wanted to arm Phnom Penh.

Khmer Rouge Rejects Cease-Fire Proposal

BK2805160194 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 28 May 94

["Statement of the Delegation of the National Assembly and Royal Government of Cambodia" following the conclusion of the roundtable with the Party of Democratic Kampuchea in Pyongyang; dated 28 May—read by announcer]

[Text] I. Respecting the lofty idea of His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia [KoC], the two national institutions of the KoC, namely the National Assembly and Royal Government of Cambodia [RoC] sent a high-ranking delegation led by Samdech Chea Sim, chairman of the National Assembly; Prince Krompreah Norodom Ranariddh, first prime minister and co-commander in chief of the Khmer Royal Armed Forces [KRAF]; and Samdech Hun Sen, second prime minister and co-commander in chief of the KRAF, to attend, at the king's Chhanghsu-on Palace in Pyongyang, a round-table meeting with Khieu Samphan, head of the Party of Democratic Kampuchea [DK] or Khmer Rouge, on 27 May.

II. The participation by the high-ranking KoC delegation, which is the legal and legitimate representative born from the will of the people and in line with the Constitution dated 25 September 1993, constitutes a symbolic gesture and displays;

A. The respect for the idea of the king, father of the nation, who has always strived to seek peace for the Cambodian people with whom he has always sympathized.

B. The political will for peace of all KoC national institutions desiring to achieve peace and national reconciliation, without thinking of their superiority in power, so as to enable all national forces to jointly strive to develop the country for the well-being of the people in general, for the

prestige of the KoC, and for ensuring national and territorial unity, sovereignty, national independence, and territorial integrity of the KoC.

III. Immediately after the meeting began, the high-ranking representatives of the KoC totally and unconditionally agreed with the lofty idea of His Majesty Norodom Sihanouk Varaman, that is:

1. They voiced support for and firmly pledged to follow the policy of peace and national reconciliation of our revered king, to maintain national and territorial unity without territorial division and seceded zones, to preserve and defend the territorial integrity, sovereignty, and national independence (?recognized internationally).

2. The top representatives of the KoC, namely the National Assembly and royal government, fully accepted the king's proposal for a cease-fire on the spot to begin at noon on 15 June with monitoring by an inter-Cambodian committee on this cease-fire.

IV. Unfortunately, the king's proposal of the cease-fire schedule, which has been accepted unconditionally by the KoC's national institutions, was rejected by Khieu Samphan despite an energetic appeal by the king and repeated pleas by the two supreme patriarchs and Venerable Patriarch Mongkoltepeacha and Venerable Patriarch Khouسانanda.

V. The king, venerable patriarchs, and the KoC national institutions time and again expressed their fervent desire to achieve national reconciliation and peace most longed for by the Cambodian people, but the Khmer Rouge representative only came to the roundtable, sitting before the face of the king and in the presence of monks from the two Buddhist sects, in order to continue his maneuvers to continue the war and shed the blood of fellow Cambodians by raising the same old argument, such as calling on the foreigners whom he has always opposed to arrange peace for Cambodia. This runs counter to the will of the people and the king, who correctly realize that the problem among the Cambodians can be resolved among the Cambodians themselves without need for help from foreigners.

[Dated] Pyongyang, 28 May 1994

Further Reportage on Roundtable Meeting

Main Points

BK3105040794 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 30 May 94

["Excerpts" of the joint communique of the roundtable meeting held in Pyongyang on 27 and 28 May 1994]

[Text] A joint communique was issued at the conclusion the roundtable meeting held under the lofty royal chairmanship of King Norodom Sihanouk. The following are the main points of the communication:

1. The meeting unanimously agreed to always faithfully support and defend a unified Cambodia without division

of territory and with territorial integrity, including its terrestrial and maritime borders and islands recognized and respected internationally between 1963 and 1968; and Cambodia's national ideals of peace, solidarity, unity, independence, and progress in the reconstruction of Cambodia.

The meeting realized that territorial and national unity without territorial partition is a must for preserving national identity.

2. Based on the king's concrete proposal, all of the participants pledged to do their best to achieve national reconciliation and peace so as to end the fighting quickly.

3. The meeting agreed to form a roundtable committee for national reconciliation and peace to continue the process of seeking a solution to the issue of achieving national reconciliation and unification.

The participants also agreed that the committee would begin its first meeting in Phnom Penh on 15 June 1994.

The roundtable meeting concluded on 28 May in an atmosphere of mutual understanding and with a high sense of responsibility for the destiny of the Cambodian nation and people.

Comments on Outcome

BK3005161394 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 30 May 94

["Press communique of the Office of the Royal Government's Spokesman concerning the roundtable meeting" issued in Pyongyang on 28 May—read by announcer]

[Text] The roundtable meeting was held from 27 to 28 May 1994 at the Chhanghsu-on Royal Residence in Pyongyang, the DPRK, under the lofty chairmanship of His Majesty King Norodom Sihanouk Varaman, king of the Kingdom of Cambodia [KoC] with the participation of Samdech Chea Sim, chairman of the National Assembly; Prince Krompreah Norodom Ranariddh and Samdech Hun Sen, first and second prime ministers of the KoC and co-commanders in chief of the Khmer Royal Armed forces [KRAF]; and Khieu Samphan, head of the Khmer Rouge delegation.

Attending the meeting as observers were members of the King's Council and especially the two Buddhist supreme patriarchs, Venerable Mongkol Tepeacha, and Venerable Moha Khouسانanda.

The KoC, representing a legal and legitimate institution established through the free and fair elections in May 1993, concretely responded to His Majesty's initiative for the roundtable.

This manifests the KoC delegation's strong support, full of unswerving goodwill, for the King's policy for peace and national reconciliation.

(?During the meeting), the KoC delegation proposed that the roundtable should focus on a three-plus-two formula as clearly stated by the King in his 21 November 1993

message. The KoC delegation believes that the implementation of the three-plus-two formula constituted a key solution and displayed the real goodwill of all participants in striving to achieve the King's policy for peace and national reconciliation.

The Royal Government of Cambodia [RGC]'s delegation reiterated its unconditional, immediate, total, lasting, and unchanging acceptance of an on-the-spot cease-fire throughout the country.

The Royal Government's delegation also voiced support for the King's wise proposal for an immediate cease-fire on the spot to begin at noon on 15 June 1994.

The RGC also voiced support for the King's initiative on the establishment of an inter-Cambodian monitoring commission to be made up of generals and high-ranking military officials from the KRAF and the Khmer Rouge group with three neutral generals representing the King as the chairman and vice chairmen of the commission.

Moreover, the Royal Government's delegation warmly welcomed the appointment of Samdech Chakrei Nhoek Chulong, General Um Manorin, and General Buor Hol respectively as the chairman and vice chairmen of the inter-Cambodian monitoring commission proposed by the King.

In this connection, the KoC had earlier mentioned its delegates to this commission.

The RGC delegation also proposed that simultaneously with the cease-fire, a [words indistinct] without delaying the cease-fire.

The RGC delegation voiced full support for the King's sacred and wise idea solemnly declaring Cambodia as a unified state without any division or secession within its territorial integrity internationally (?respected and) recognized between 1963 and 1964 and as a state of peace, solidarity, national unity, and progress in the joint effort for national reconstruction.

But unfortunately, all of the King's ideas and initiatives concerning the above-mentioned unconditional, immediate, total, permanent, and on-the-spot cease-fire throughout Cambodia were vehemently rejected by Mr. Khieu Samphan, leader of the Khmer Rouge, despite an energetic appeal by the King and repeated pleas by the two supreme patriarchs, and Venerable Patriarchs Mongkol Tepeacha and Khousananda.

At first, Khieu Samphan proposed that the process of this cease-fire must (?be participated by some foreign countries). Five countries out of the 10 countries in the list that Khieu Samphan proposed for consideration had been elected before as cease-fire observers.

It should be noted that the proposed 10 countries are all full-fledged members of the United Nations which had bitter experiences of the Khmer Rouge in the implementation of the Paris agreement.

Secondly, the Khmer Rouge proposed that the RGC delegation accept a formula of so-called minimal political

program before continuing the discussion on the cease-fire proposed by His Majesty Norodom Sihanouk Varaman, king of the KoC. There is nothing in this minimal political program. But the Khmer Rouge did this in an attempt to dismantle the KoC's legal and legitimate institutions, namely the National Assembly and RGC born of the general elections arranged and supervised by the United Nations.

On 28 May, the participants agreed to issue a joint communique [words indistinct] roundtable for peace and national reconciliation was formed under the chairmanship of the King's representative Samdech Chakkrei Nhoek Chulong so as to [words indistinct]. This (?commission) will be made up of four delegates from the KoC side and four others from the Khmer Rouge. It will hold its first meeting on 15 June 1994 at Damnak Chan Hall in the Royal Palace in Phnom Penh.

From this roundtable meeting, it is irrefutable that the Khmer Rouge had displayed their intention not to seek a solution to the remaining Cambodian problems through political means. The Khmer Rouge had used the evil trick of attacking while negotiating. They had tried to internationalize the remaining internal problems of Cambodia [words indistinct] in order to dismantle the Cambodian National Assembly and RGC, which are internationally recognized through the free and fair general elections organized by the United Nations in May 1993.

This means that cease-fire which [words indistinct] vehement stubbornness of the Khmer Rouge.

[Dated] Chhanghsu-on, 28 May 1994

Paper Carries Communique

BK3005074994 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 30-31 May 94 pp 1, 2

[Text] Joint communique of the roundtable for national reconciliation and peace under the august chairmanship of His Majesty King Norodom Sihanouk Varaman:

Respectfully pursuant to the august initiative of His Majesty Norodom Sihanouk, king of the Kingdom of Cambodia, concerning the holding of a roundtable for national reconciliation and peace, Samdech Chea Sim, chairman of the National Assembly of the Kingdom of Cambodia; Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia; Samdech Hun Sen, second prime minister of the Kingdom of Cambodia; and His Excellency Khieu Samphan, chairman of the party of Democratic Kampuchea, met in a roundtable under the august chairmanship of His Majesty the King from 27 to 28 May 1994 at the Chhanghsu-on Royal Residence with the participation of members of the King's Council and in the presence of the two Buddhist supreme patriarchs, the Venerable Mongkol Tepeacha and the Venerable Moha Khousananda.

1. Opening the meeting His Majesty Norodom Sihanouk, king of the Kingdom of Cambodia, graciously expressed his most profound thanks on behalf of the Cambodian nation to His Excellency Marshal Kim Il-sung, president

of the DPRK and the great leader of the Korean nation and people; His Excellency Marshal Kim Chong-il, supreme commander of the Korean People's Armed Forces and venerated and beloved leader of the Korean people; and all Korean leaders of all levels for giving a most warm welcome and reception to the Cambodian delegation and providing all kinds of means and amenities for this roundtable.

2. The roundtable participants unanimously agreed to pledge eternal loyalty and support to and protection of a Cambodia that is unified, free of all territorial division, and without any secession within its territorial integrity (land, waters, seas, and islands internationally recognized and respected between 1963 and 1970); along with Cambodia's national ideals of peace, solidarity, national unity, national independence, and progress in the motherland's reconstruction. The meeting holds that territorial unity, national unity, the absence of territorial division and secession is most necessary for the preservation of national entity.

3. Based on the very specific august proposal of the venerated king, the roundtable participants pledged to do their best to end the war as soon as possible and to bring about a permanent cease-fire, national reconciliation, and peace.

4. The roundtable participants unanimously agreed to set up a roundtable commission for peace and national reconciliation to carry on the search for a solution to the problem of national reconciliation and reunification. They agreed that this roundtable commission will begin its first meeting on 15 June 1994 in Phnom Penh.

The Cambodian delegation expressed its profound gratitude to His Majesty Norodom Sihanouk, the venerated king, for the selfless efforts he made in order to bring genuine peace, national reconciliation, and reunification to the Cambodian motherland and people.

The roundtable concluded on 28 May 1994 in an atmosphere of mutual understanding and with a high sense of responsibility for the destiny of the country and Cambodian people.

Issued at the Chhanghsu-on Royal Residence on 28 May 1994.

Meeting Ends

BK2805141194 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 28 May 94

["Joint Communique of the Roundtable Meeting for National Reconciliation and Peace" between the Government of Cambodia and the Party of Democratic Kampuchea in Pyongyang on 28 May—read by announcer]

[Text] In pursuit of the lofty idea of His Majesty Norodom Sihanouk Varaman, king of the Kingdom of Cambodia [KoC], concerning a roundtable for national reconciliation and peace, Samdech Chea Sim, chairman of the KoC

National Assembly; Prince Krompreah Norodom Ranariddh, KoC first prime minister; Samdech Hun Sen, KoC second prime minister; and His Excellency [H.E.] Khieu Samphan, head of the Party of Democratic Kampuchea, jointly held a round-table meeting under the lofty chairmanship of his majesty the king from 27 to 28 May at Chhanghsu-on Palace with the participation of the members of the king's Supreme Advisory Council and in the presence of the two supreme patriarchs, Venerable Patriarch Mongkoltepeacha and Venerable Patriarch Khousananda.

I. Opening the meeting, King Norodom Sihanouk Varaman expressed on behalf of the Cambodian nation his deepest thanks to H.E. Marshal Kim Il-song, president of the DPRK and great leader of the Korean nation and people; H.E. Marshal Kim Chong-il, commander-in-chief of the Korean People's Armed Forces and respected and beloved leader of the Korean people; and other Korean leaders at all levels for giving their warmest welcome and reception to the Cambodian delegation and for providing all sorts of facilities favorable to this roundtable.

II. The participants reached unanimous agreement to always be faithful to, support, and defend a unified Cambodia without territorial division and secession and within its territorial integrity, territorial waters, land and sea frontiers, and islands recognized and respected internationally from 1963-69, and to support Cambodia's national ideals of peace, solidarity, national unity, national independence, and progress toward rebuilding the motherland.

The participants realized that national and territorial unity without territorial division and secession is most necessary for preserving national identity.

III. Based on the concrete proposal of the revered king, the roundtable participants pledged to do their best so as to quickly end the war, bring about a permanent cease-fire, and achieve national reconciliation and peace.

IV. The meeting agreed to form a roundtable committee for peace and national reconciliation to continue the process to solve issues concerning national reconciliation and unity.

The meeting agreed that this committee shall begin its first meeting on 15 June in Phnom Penh.

The Cambodian delegates thanked His Majesty Norodom Sihanouk, revered king, for sparing no effort in seeking genuine peace and national reconciliation for the Cambodian motherland and people.

The roundtable ended on 28 May in an atmosphere of mutual understanding and high sense of responsibility for the destiny of Cambodian nation and people.

Issued at Chhanghsu-on Palace on 28 May 1994

Hun Sen Remarks

BK2805113394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 27 May 94

[Unattributed commentary: "Do the Communist Vietnamese Puppets and the Communist Vietnamese, Who Want To Swallow Cambodian Territory, Want Cambodians To Achieve National Reconciliation and Peace?"]

[Text] Before leaving for Pyongyang to attend the round-table meeting, puppet Hun Sen said he did not want to negotiate with the Khmer Rouge, adding that he, however, would attend the meeting although he had little hope of success.

This remark proves that the communist Vietnamese, their puppets, and their allies have not changed their stand and continue to oppose the king's national reconciliation plan. Meanwhile, the stand of the Party of Democratic Kampuchea [PDK] is clearly known to our nation and people, that is, the PDK upholds peace and national reconciliation and supports the king's national reconciliation plan. However, the Vietnamese puppets, following orders from their communist Vietnamese boss, have continued demanding that the PDK return liberated zones to them and assemble our Armed Forces for the communist Vietnamese and their allies to control and manage Cambodia at will. Frankly speaking, they want to smash the resistance movement for national liberation so that Vietnam can annex Cambodia into its Indochinese Federation. This is the same obsolete, unchanging strategy and goal pursued by the communist Vietnamese since time immemorial. In such a case, can one rely on the communist Vietnamese and their puppets to achieve national reconciliation and peace? Definitely not.

The communist Vietnamese want to eliminate the Cambodians to facilitate its plan to annex Cambodia. As for Vietnamese puppets Chea Sim, Hun Sen, Sar Kheng, and so forth, they have been installed by the Vietnamese for serving the Vietnamese war of aggression since (?1979). They are out-and-out lackeys who have been serving Vietnamese interests only, and have never thought of serving the interests of the Cambodian nation and people. Their nation is Vietnam, thus they want to eliminate Cambodia just as their Vietnamese bosses do.

The true nature of the Vietnamese and their puppets is well known to our nation and people. We have never expected them to deliver peace and national reconciliation to our Cambodia. Puppet Hun Sen's disgusting remark noted above is clear proof of this.

Lessons from the past, present, and even in the future in Cambodia and the world are clear proof that nobody can beg for peace and national independence from the aggressors. Peace, national independence, and the survival of each nation are always achieved through struggle waged by that nation and its people who are victims of the aggression. The same principle applies to Cambodia. If we want to achieve peace and national reconciliation, our entire nation and people both in the cities and countryside must

jointly wage all forms of struggle until achieving genuine peace, national reconciliation, and national unity.

Radio Accuses U.S. of Declaring War

BK2905141594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 May 94

[Unattributed commentary]

[Text] In cooperation with the communist Vietnamese, the United States began its second war against the Cambodian nation and people right after the elections held in Cambodia by UNTAC [UN Transitional Authority in Cambodia]. The military campaigns launched last July and August to seize the Stoung and Phnum Chhat areas were financed by the United States. Meanwhile, France was charged with the air transportation of arms, ammunition, artillery, and the wounded and UNTAC and Australia were in charge of radio communications.

The recent operations to seize Anlung Veng and Pailin in Battambang Province were also launched with financial aid and weapons from the United States, the allies, and the communist Vietnamese.

These military campaigns launched by the United States were just the covert, undeclared war. After suffering serious defeats on the Anlung Veng and Pailin battlefields, they started the open war in Cambodia. Over the past weeks, the Clinton administration hurriedly sent officials from the State and Defense Departments one after another to Phnom Penh to arrange the supply of weapons and ammunition to join with the communist Vietnamese in waging war in Cambodia.

Winston Lord, U.S. assistant secretary of state for East Asian and Pacific affairs, announced time and again that war had to be waged in Cambodia. A U.S. diplomat also said that the United States should think about waging war in Cambodia. This is tantamount to declaring a second U.S. war against the Cambodian nation and people.

In what situation is the United States declaring war in Cambodia? Which forces are being used as a springboard for waging this war in Cambodia?

I. The United States is declaring this war in a situation when all Cambodian people both inside and outside the country are jointly opposing the elements rekindling the Vietnamese war of aggression against Cambodia, and demanding national reconciliation so as to restore peace and security in Cambodia. This movement is surging thunderously. No force can stop it.

In such a situation, how can the United States rekindle the war in Cambodia?

II. In the 1970-75 war, the United States used the Lon Nol forces as the springboard for waging its aggressive war against Cambodia.

In comparison, the Lon Nol forces are better than the present U.S. puppets—border bandits—and Vietnamese

puppets in Phnom Penh. The Lon Nol forces had enough to eat, quite proper clothing, and some political bases in Cambodia.

In this second war, the United States uses its puppets—border bandits—and communist Vietnamese puppets as the springboard.

A. It is no need to explain much about the border bandits because the Cambodian people know well that they are the lifelong slaves and henchmen of the United States and its allies.

B. As for the communist Vietnamese puppets:

1. They are elements installed at gunpoint by over 250,000 aggressor troops of the communist Vietnamese. They have served the communist Vietnamese in killing countless Cambodians over the past 15 years. The Cambodian people know them as traitors to the nation and people and the out-and-out lackeys of the Vietnamese communists. The Cambodian people hate them and have jointly attacked them for the past 15 years.

2. The communist Vietnamese puppets are thoroughly corrupt. They have competed against one another in selling out everything, state land, buildings, tables, chairs, and so forth. In that case, what will happen to the money and supplies that the United States is giving them for waging war in Cambodia?

This shows that the springboard that the United States is using in waging war in Cambodia is rotten like [words indistinct]. Thus, the United States will never be able to fortify this springboard.

For this reason, in this second war, the United States will certainly face the same fate as it did on 17 April 1975.

The Cambodian people are shouting: United States, do not wage a second war in Cambodia!

Radio Says U.S. Arms Cannot Help Win War

BK3005090094 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 29 May 94

[Station editorial: "Why Are the Communist Vietnamese Puppets Arrogantly Voicing Their Opposition to the King's National Reconciliation Plan?"]

[Text] One-eyed Hun Sen, Vietnam's favorite puppet, has just returned to Phnom Penh, where he told people left and right that the 27 May roundtable in Pyongyang had produced only a 0.01 percent result, meaning that it was a total failure. This remark clearly shows that the communist Vietnamese, their puppets, and the alliance remain opposed to national reconciliation, their opposition to it having been ordered by their communist Vietnamese bosses.

The announcement of failure by the communist Vietnamese puppet above is a most arrogant and insolent

declaration of opposition to the king's national reconciliation plan. Why did one-eyed Hun Sen dare to so arrogantly voice his opposition to the king's national reconciliation plan? It is because:

1. Hun Sen and the other communist Vietnamese puppets are out- and-out servants of the communists and rely totally on the 4 million communist Vietnamese and Vietnamese nationals already inside Cambodia.

2. The communist Vietnamese have sent fresh troops from Vietnam into Cambodian battlefields, particularly the Route 10-Battambang battlefield, which is a hot spot from where the troops of the communist Vietnamese puppets are being routed and fleeing by the dozen and by the hundred.

3. The Americans are sending their deputy assistant state and defense secretaries to Phnom Penh to prepare the ground for arms and ammunition shipments for the communist Vietnamese puppets to enable them to carry on their war against the Cambodian nation and people.

For these reasons, puppet Hun Sen did not hesitate to make repeated arrogant announcements against the king's national reconciliation plan. The puppets believe that, because they are getting arms and ammunition from the United States and receiving the support and assistance of Vietnamese troops, they can crush and suppress the Cambodian people's resistance movement. However, they are badly mistaken. From 1979 to 1990, that is, after more than 10 years of all-out war, the more than 250,000 Vietnamese troops, with tanks, arms, and ammunition from the former Soviet Union and the Warsaw Pact pouring freely into Cambodia, still failed to crush the national liberation forces of the Cambodian people. Vietnam's aggressive military strategy was instead completely and ignominiously defeated in 1989-90. As for the Americans, they too experienced the same fate. In 1970 following the coup d'etat that deposed Prince Norodom Sihanouk, the Americans sent millions of tonnes of arms and ammunition to help the Lon Nol administration suppress the Cambodian people's resistance movement at that time. Ammunition was heaped like mountains in each of Lon Nol's army barracks. In addition, the United States used its modern aircraft such as the B-52's and F-105's to conduct bombing sorties around the clock against the resistance movement of the Cambodian nation and people. Nevertheless, they could not do anything to shake us. On the contrary, both the Americans and their puppets were completely and ignominiously defeated by the Cambodian nation and people.

The two historic examples just mentioned clearly show that arms and equipment are not the factors that determine the outcome of a war. It is the people, a sense of patriotism, and the national defense morale which constitute the factors determining military success. The winning party is the party that enjoys the support of the people. In Cambodia at present, the entire Cambodian people, both at home and abroad, have the common desire to put the earliest possible end to the devastating war in Cambodia. All of us want national reconciliation and peace. None of

us want war and we oppose anyone who wants to continue it. We oppose corrupt practices and acts of selling out the nation, betraying the nation, killing the people, and setting illegal checkpoints to rob the people day and night. This movement is very powerful. It is raging like an erupting volcano. Therefore, even if the communist Vietnamese, the American alliance, and their puppets stubbornly insist on carrying on the war, they will never overcome the powerful aspiration of the Cambodian nation and people. They will surely be ignominiously defeated as in the past.

The road leading to extinguishing the flames of war is the best one for both the Cambodian people and the countries in the region and the world.

Thailand

Deputy Foreign Minister Hails U.S. Renewal of MFN

*BK2805094594 Bangkok BANGKOK POST in English
28 May 94 p 1*

[Text] Deputy Foreign Minister Surin Phitsuwan yesterday hailed President Bill Clinton's renewal of China's Most Favoured Nation trading status and the end of linking trade and human rights as a move that would lead to better understanding of Thailand.

"Every country has its own position on short and long term interests," Mr Surin said.

"We have a burden of proximity. We stand to face repercussions from neighbours in terms of refugees, narcotics or weapons.

"Western countries, wherever they are, have the luxury of distance," he said.

"They can make pronouncements without having to consider the repercussions."

Clinton's decision came under pressure from U.S. businessmen who did not want to be excluded from participation in China's economic development, Mr Surin said.

Fierce competition for trade and investment demanded a broadening of outlook, a balanced consideration of principles ideals and realities, he claimed.

Differences of views between countries of the East and West on questions of human rights, democracy and the environment are "complex" and "delicate".

Clinton's decision would serve as a good example and help the U.S. and other countries in the West to understand Thailand, he said.

Suphachai Comments on U.S. Trade

*BK3005154894 Bangkok Radio Thailand Network in
Thai 1200 GMT 30 May 94*

[Text] Speaking during an interview with the press at Government House this morning, Deputy Prime Minister Suphachai Phanitchaphak said he supported the U.S. decision to continue giving trade privileges to China under most favored nation status. He said the Chinese people

would become even poorer and the problem of human rights in China would never be solved if the United States decided to stop giving such privileges to China because of its poor human rights record. He disagreed with the United States for linking trade talks with other issues. He said that constituted interference in the internal affairs of others.

Concerning Thailand, he said the United States tried to link the special trade privileges given Thailand with Thailand's treatment of its labor issue. Suphachai said this is not appropriate because Thailand has been trying to solve its problem by fully adhering to international norms on labor. The Thai Government has always tried to firm the United States whenever its labor organizations tried to interfere with or instigate the Thai labor force. He said that at the meeting of the International Labor Organization, Thailand and its allies would try to counter the United States on this matter.

Suphachai said that the Thai Government has been trying to solve trade problems with the United States by fully complying with international rules, such as suppressing pirated tapes, and protecting intellectual property. Yet, there are certain areas where Thailand cannot comply with U.S. demands. He noted that without Thailand as its friend, the United States would hardly have any friends left.

Prasong Comments on Khun Sa, Roundtable

*BK2905102494 Bangkok Radio Thailand Network in
Thai 1200 GMT 29 May 94*

[Text] Foreign Minister Squadron Leader Prasong Sunsiri spoke with newsmen yesterday evening at the Deville Villa Plaza Hotel. He said that fighting between the Burmese Government and the Khun Sa forces is not intense now and is quite far from the Thai border. If the situation becomes serious and if asked, the Foreign Ministry will help by bringing the matter up for discussion with the Burmese Government.

On the roundtable between the Phnom Penh Government and the Khmer Rouge, the foreign minister said the Khmer Rouge has softened its position. He said the roundtable is a good sign that indicates that peace could follow. The Thai Government strongly wishes that all Cambodian factions can reconcile their differences and stop the fighting.

Border Reinforced as Khun Sa Forces Battle

*BK2805133094 Bangkok SIAM RAT in Thai 28 May
94 p 4*

[Text] The fighting between Burmese Government troops and minority rebels which broke out along the Burmese-Thai border areas opposite Mae Hong Son, Chiang Mai, and Chiang Rai shows no sign of cessation. Reinforcements from both sides were sent to the battlefields.

A report received on 27 May said that the minority rebels were well prepared and expected to push the Rangoon troops out of the border town of Thachilek soon. The two sides are now fighting at 23 different locations in the Shan

State. Meanwhile, 7,000 rebels are surrounding government strongholds at Mong Chot, Mong Pan, and Mong Twan. The government troops in the three townships are expected to surrender to the rebels.

Two hundred Burmese soldiers were reportedly killed and several hundred others wounded during the encounters at Doi Tung and Doi Kongmu on the night of 20 May. Rebel casualties were 30 killed and 65 wounded. The Burmese troops at the three locations were assigned to block the road leading to the border town of Thachilek.

The Border Patrol Police Zone 3 has issued an order completely sealing the border with Burma and has pledged to take drastic legal action against any persons violating the ban. Patrol teams have been sent out to work along the border around the clock to cope with any possible territorial infringement.

The latest report indicated that Khun Sa's soldiers have successfully crossed the Salween River to the western bank despite tough resistance from government troops. No reports on casualties are available. Three battalions of Khun Sa's Army are now surrounding Mong Pyak, Mong Tongi, and Doi Wi, only 30 kilometers from Tachilek. Khun Sa plans to attack and destroy Tachilek before the end of this rainy season.

Three hundred and twenty Burmese fled to Thailand from 24 to 26 May and were later repatriated by Thai authorities. Police and military reinforcements were dispatched to guard the border in Chiang Rai Province to deter an influx of refugees.

Deputy Prime Minister Banyat Banthaththan disclosed that the Thai Government has no policy of setting up a new refugee holding center. However, refugees from Burma will be allowed to stay in the country on a temporary basis.

Editorial Opposes Assistance to Cambodia

BK2805122094 Bangkok THAI RAT in Thai 28 May 94 p 3

[Editorial: "America, Don't Miss the Opportunity"]

[Text] Today is the second day of negotiations between the Cambodian Government and Khmer Rouge in Pyongyang. The meeting, scheduled to last until 31 May and chaired by King Norodom Sihanouk, is aimed at putting an end to the killing among Cambodians and finding ways to form a national reconciliation government to rule the country. Meanwhile, the United States, Australia, and France, in another part of the world, are considering sending weapons to Cambodia to prolong the massacre in that country.

We wish to appeal to all world powers to think carefully before sending weapons and military assistance to help the Cambodian Government fight the Khmer Rouge. It is not difficult to decide to send arms and assistance to Cambodia. However, it might be impossible to completely wipe out the Khmer Rouge. Hence, sending weapons and assistance to Cambodia is tantamount to fanning the flames of war which is a mistake the major powers could make in their attempt to solve the Cambodian problem.

Judging from the remarks of Thomas Hubbard, U.S. deputy assistant secretary of state; and Kent Weidemann, U.S. assistant secretary of defense, after their visit to Phnom Penh and consultative meetings with Thai ministers, we feel that the two U.S. officials, whose mission was to write a report to help the U.S. Government make a final decision, are worried that the Phnom Penh Government, without external support, will not be able to resist the Khmer Rouge's massive offensive and that the country will fall into Khmer Rouge hands.

We have a solution to the problem. The Thai people and Government believe that the major powers and the international community are capable of ending the war in Cambodia this very moment by making the two factions recognize each other and form a national reconciliation government to rule the country so that they can solve all problems at the negotiating table instead of fighting an endless war using lives, blood, flesh, and the agony of the people as their stakes.

Following the stormy accusations made by the Cambodian Government about Thai support for the Khmer Rouge, we, the mass media, have noticed a decline, to a certain extent, in the Thai Government's credibility in this regard. So effective are the fabrications, that the United States, France, and Australia are induced to give assistance to the Phnom Penh government. We wish to remind the United States that a genuine solution to the Cambodian problem must include the end of the war and mutual recognition among the Cambodian factions. So, the United States must think carefully before doing anything.

The United States must not miss the opportunity to exploit the new expanding market in this region with a total population of 350 million. If the international community sets the ultimatum for national reconciliation and the end of fighting in Cambodia, we do not believe that the Khmer Rouge will be crazy enough to risk fighting the war to gain full control of Cambodia because it will surely face something it deserves.

PRC Vice Minister of State Planning Arrives

BK2905151594 Bangkok ZHONG HUA RIBAO in Chinese 28 May 94 p 7

[Text] Gan Ziyu, vice minister of China's State Planning Commission, is leading a five-member delegation on a visit to Singapore, Malaysia, and Thailand. The delegation arrived in Bangkok on 27 May aboard a Malaysian Airlines flight. The other members of the delegation are Xu Tongmao, Zhang Jiufei, Cao Yushu, Li Li, and Li Bin.

Chinese Ambassador to Thailand Jin Guihua, Charoen Phokkhaphan Group Vice President Li Shaozhu, and other senior officials of the group welcomed the delegation at the airport and presented garlands to them.

Gan Ziyu said that countries in the Asia-Pacific region, especially Singapore, Malaysia, and Thailand, were enjoying rapid economic growth. We can learn a lot from these countries. The State Planning Commission oversees economic management and is in charge of examining and

approving large foreign economic cooperation projects. His visit is aimed at establishing and strengthening relations with various agencies of the three countries and promoting economic and technological cooperation.

While in Thailand, the delegation will pay courtesy calls on Prime Minister Chuan Likphai, deputy prime ministers, and officials of business and economic development agencies. The delegation will also visit subsidiary companies of the Charoen Phokkhaphan Group, including the Telecom Asia Company. The delegation will return home on 3 June.

Seized Heroin Said Intended To Finance Guns

BK3005095094 Bangkok THE NATION in English 30 May 94 p A7

[Text] Chaing Mai—Thai and US anti-drug authorities yesterday arrested a couple in Muang district with 33 kg of heroin worth at least Bt47 million on the local market, police said.

Somnuk Sisaowarak, 29, and Khruawan Monlai, 39, who are natives of Mae Hong Son, were arrested at their house in a estate on the Chiang Mai-Hot road with 55 bags of powdered heroin and 40 bars of compressed heroin, according to police.

The team that raided their house also seized one AK-47 assault rifle, two pistols and more than 50,000 rounds of M-16 ammunition.

Investigators said the two claimed the heroin came from Burmese drug warlord Khun Sa, who wanted to trade the drug for arms to be used in fighting with Burmese government forces.

Khun Sa's army has been engaged in battles with Rangoon which have intensified recently.

The suspects said they were planning to sell the heroin in Bangkok. The proceeds would have been used to buy arms from traders at the eastern border. The weapons seized by police yesterday were also intended to be sent to the warlord, according to police.

The raid was carried out jointly by local police, officers from the Office of the Narcotics Control Board and agents of the US Drug Enforcement Administration.

Vietnam

National Assembly Proceedings Continue

27 May Reported

BK2805062794 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 27 May 94

[Communique No. 2 of National Assembly Office]

[Text] Today, the National Assembly held a plenary session in the conference hall under the direction of Vice Chairman Phung Van Tuu to discuss the draft labor code. National Assembly Secretariat member Bui Ngoc Thanh presented to the assembly a combined report on opinions

regarding the draft labor code discussed by different constituent groups on the afternoon of 26 May. There were 42 deputies expressing different opinions on articles and paragraphs of the code. They were Nguyen Ngoc Hai of Haiphong; Nguyen Van Anh, Vu Tuat Viet, Le Minh Chau, and Nguyen Minh Thanh of Ho Chi Minh City; Trinh Chan of Ha Giang; Le Duc Binh and To Xuan Toan of Ninh Binh; Ha Thai Binh of Soc Trang; Duong Tan De of Vinh Long; Nguyen Van Tu of Dong Nai; Tang Van Luy and Nguyen Viet Dung of Ha Bac; Nguyen Duc Kien, Doan Thi Theu, and Pham Hung of Hai Hung; Nguyen Duy Quy of Nghe An; Ha Thi Thu Suong, Nguyen Thi Binh, and Nguyen Don of Quang Nam-Da Nang; Phan Quang of Thai Binh; Y Ngong Niek Dam of Dac Lac; Tran Quoc Thai of Ha Tinh; Vo Nguyen Quang and Nguyen Dinh Ngo of Thua Thien-Hue; Tran Anh Tuyet of Quang Ngai; Tran Hoa of Quang Binh; Nguyen Thanh Phong of Dong Thap; Nguyen Van Minh of Song Be; Dam Van Nguy of Bac Thai; Luong Cong Doan of Phu Yen; Nguyen Phu Cuong of Lang Son; Nguyen Duy Anh of Lam Dong; Cao Minh Chau of Hanoi; Le Viet Duoc and Le Van Sam of Thanh Hoa; Tran Viet Bien of Tay Ninh; Do Van An of Son La; Duong Viet Trung of Can Tho; Nguyen Viet Hoe of Quang Ninh; Truong Minh Thang of Minh Hai; and Nguyen Thi Hoai Thu of Tien Giang.

In the early afternoon, Tran Dinh Hoan, minister of labor, war invalids, and social welfare, and the head of the compilation committee for the code explained some points of the code that drew questions from deputies in the morning session. Most of the opinions were of high agreement on the necessity to introduce a labor code. They held that the draft code has been planned carefully and it received much input from voters, sectors, and echelons in the entire country.

The deputies discussed chapters one, two, three, and four on adjustment of the code, minimum working age, and some employment relations issues such as work duties, training, and labor contracts. On 28 May the assembly will continue its work in the conference hall.

More on 27 May Proceedings

BK3105051994 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 May 94

[Summary] "This morning, 27 May, the Ninth National Assembly's fifth session continued at the conference hall under the direction of Vice Chairman Phung Van Tuu. After listening to the National Assembly's Secretariat reading a summary of the deputies' suggestions on the labor code draft, the National Assembly deputies contributed their opinions on the first chapter of the draft".

The deputies discussed the minimum working age, bonuses, and other entitlements and issues related to laborers.

"In the afternoon, after the report by Tran Dinh Hoan, minister of labor, war invalids, and social welfare, the deputies continued to tender their opinions on other

chapters of the draft", discussing such issues as the name of the law, the working age, severance pay, retrenchment pay, and so forth.

Tomorrow morning the deputies will continue to discuss the labor code draft.

Morning of May 28

BK2805130594 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 28 May 94

[Text] In its third working day today, 28 May, the National Assembly held a plenary session at the Conference Hall to continue debate on the remainder of the draft labor code, from Chapter VI onward. The session directed by National Assembly Vice Chairman Phung Van Tuu.

The views expressed by National Assembly deputies focused on accepting workers returning from military service, on the question of female workers, and on several other issues.

Deputies Pham Van Tra of Haiphong and Truong Thi Khue of Quang Tri proposed that the labor code specify that all relevant firms accept workers returning from fulfilling military obligations to encourage youths to comply with the military service law.

Deputy Chu The Quynh of Hanoi said: Article 126 in Chapter XI, which deals with artistic workers, is not specific enough. We must clearly point out that we do not set the years of service needed for artistic workers to retire, but we will only fix the period of their social security contributions.

On behalf of the Vietnam Women's Union Central Committee, Deputy Vo Thi thang of Long An presented the views of the Women's Union on the question of female workers. She earnestly asked the National Assembly to pass the chapter on female workers in the labor code.

Deputy H' Nghia of Gia Lai proposed that the labor code have stipulations on providing vocational training for ethnic minority workers.

Deputy Dang Khoi of Nam Ha proposed that the labor code clearly stipulate that firms have the responsibility of making contributions to the unemployment allowance fund. This will provide prompt assistance for workers and help the government specify the amount of contributions to be made by each type of firm.

Deputy Phung Van Toan of Vinh Phu suggested that the tenth day of the third lunar month—the death anniversary of our ancestral Hung kings—be declared an official holiday so workers can get full pay on that day.

Deputy Hoang Duc Hy of Tuyen Quang proposed that the following clause be added to Article 174 on labor strikes: If a labor strike is regarded as illegal, both the organizer and the strikers concerned must compensate their relevant employers for losses, and so forth.

Summary of 28 May

BK3105061294 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 May 94

[Summary] "This morning, 28 May, the National Assembly met in the conference hall under the direction of Vice Chairman Phung Van Tuu to discuss the labor code draft. The deputies contributed their opinions on the issues raised in chapter No. 5 and the following chapters."

In the afternoon, before the deputies continued their discussion, Mr. Tran Dinh Hoan, minister of labor, war invalids and social welfare, on behalf of the National Assembly's draft compilation and social issues committees, read a summary of deputies' opinions tendered on previous days.

Among other issues, the deputies also discussed the distinction between legal and illegal strikes.

More on 28 May

BK2905073094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 May 94

[Communique No.3 of the Ninth National Assembly's fifth session]

[Text] Today, 28 May, the National Assembly held a plenary session at the Conference Hall under the direction of National Assembly Vice Chairman Phung Van Tuu to continue its debate on the draft labor code.

Thirty deputies aired their views on the clauses and issues from Chapter V onward of the draft labor code, where there are still differing views. The deputies are: Chu Thuy Quynh and Chu Duy Kinh of Hanoi; Pham Van Tra of Haiphong; Dang Khoi of Nam Ha; Truong Thi Khue of Quang Tri; Phung Van Toan and Huu Tho of Vinh Phu; H' Nghia of Gia Lai; Hoang Duc Hy of Tuyen Quang; Vo Thi Thang of Long An; Lam Phuc Co of Yen Bai; Pham Thi Son of Ba Ria-Vung Tau; Hoang Thi Chien of Bac Thai; Nguyen Thi Viet Nhan of Kien Giang; Nguyen Van Tam and Tran Thi Thanh Thanh of Ha Tay; Tran Thi Le Thu of Binh Dinh; Tran Van Ngau of Ben Tre; Ha Van Chuan of Hoa Binh; Ha Thai Binh of Soc Trang; Tran Minh Duan of Khanh Hoa; Le Thi Tot of Tra Vinh; Dinh Trung of Binh Thuan; Le Van Truyen of Lai Chau; Mai Thuc Lan of Quang Nam-Danang; Pham Quang Du of Ho Chi Minh city; Nguyen Chi Ben of Ninh Thuan; Nguyen Van Tu of Dong Nai; Dam Van Nguy of Cao Bang; and Cu Hoa Van of Lao Cai.

In the afternoon, before the National Assembly deputies resumed their debate, on behalf of the drafting organ Mr. Tran Dinh Hoan, minister of war invalids and social welfare, reported on the soliciting of views from National Assembly deputies and further explained a number of specific issues about the draft labor code regarding its feasibility, and the protection of worker rights—including women, compatriots of various ethnic minority groups, and youths returning from military obligation.

The views expressed by the National Assembly deputies focused on the question of using female workers, wages,

working hours, break time, labor discipline, material responsibility, social security, retirement age, the role and position of grass roots trade unions, the settlement of collective labor disputes, and the right to strike.

On Monday, 30 May, National Assembly deputies will hold group discussions. They will also hold a debate at the Conference Hall on the draft law on the transfer of land-use rights.

30 May Proceedings

BK3105035094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 May 94

[National Assembly Issues Communique No. 4]

[Text] This morning, 30 May, National Assembly deputies held group discussion on various draft laws. In the afternoon the National Assembly held a plenary session to discuss the draft law on tax levied on the transfer of rights on land use under the direction of National Assembly Vice Chairman Nguyen Ha Phan.

The National Assembly heard Ly Tai Luan, member of the National Assembly session secretariat, report on the main ideas on this draft law which were condensed from a group discussion in the morning session.

A total of 19 National Assembly deputies expressed different views on the provisions of the draft law. They are Nguyen Trong Xuyen from Ninh Binh Province, Ban Tien Dung from Quang Ninh, Huynh Thi Nhan from Ho Chi Minh City, Nguyen Thi Man from Haiphong, Diep Kinh Dan from Soc Trang, Nguyen Thi No from Khanh Hoa, Bui Van Hoanh from Can Tho, Le Phu Hoi from An Giang, Nguyen Thanh Cao from Kon Tum, Nong Duc Manh from Lang Son, Bui Quang Ton from Ben Tre, Do Quoc Hung from Ba Ria-Vung Tau, Danh Ut from Kien Giang, Nguyen Khoa Kim Boi from Thua Thien-Hue, Tran Thi Kim Van from Song Be, Hoang Xuan Dung from Yen Bai, Dinh Hanh from Hanoi, Phung Quang Hung from Vinh Phu, and Nguyen Van Thuan from Binh Thuan.

All the deputies expressed an identity of views on the necessity to promulgate the law on tax levied on the transfer of rights on land use in the current situation. This law is aimed at enhancing the efficiency of state management over land, increasing state revenue, and meeting the aspiration of the masses. The deputies also contended that the draft law has been carefully revised on the basis of the views solicited from the people, echelons, and sectors nationwide. The National Assembly deputies also discussed issues related to those who have to pay tax in this regard, tax calculation, tax reduction and exemption, and the enforcement of this law.

Tomorrow, 31 May, the National Assembly will continue its work at the conference hall.

Ho Chi Minh City Reviews Anticorruption Work

BK3105120794 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 29 May 94

[Text] Ho Chi Minh City authorities recently held a conference to review anticorruption work during the period November 1992 to April 1994.

Reports presented at the conference revealed that during the period, 604 corrupt cadres received disciplinary punishment including 72 cadres removed from their positions. A number of directorate-level cadres, who had been prosecuted before but still remained in the party, have been expelled from the party.

Law enforcement agencies are presently handling 321 corruption cases. Eleven corrupt persons received life imprisonment terms. There are, however, still some serious cases that have not been finalized as expected. During its 13th session held October 1993, the city People's Council urged authorities to finalize quickly 58 backlog cases. Nine of them remain unsolved. Among six major cases that had been reported to the government, only four were completed. Many other important cases such as the Go Vap State Pharmacy, which involved the former director of the finance office, or the case of the (?Sakefin) Food Staples Company, still have not been brought to court though the prosecution process started over two years ago.

The rate of property recovered from corruption activities stays very low. In comparison with 151.7 billion dong, \$857,737, and 824 taels of gold recorded as losses, the amounts recovered were 13.3 billion dong, \$205,686, and 167 taels of gold.

Artifacts Said 'Concrete Evidence' of Sovereignty

BK2705134394 Hanoi Voice of Vietnam in English 1000 GMT 27 May 94

[Text] Vietnam's Archeological Institute has conducted excavations on a number of major islands belonging to Truong Sa [Spratly] Archipelago of Truong Sa District, Thanh Hoa Province, and found many artifacts testifying to Vietnam's sovereignty over the region. Following are some details of the new discoveries.

Archeologists found 350 pottery and porcelain pieces in the southeastern part of the archipelago. They are similar to the old potteries of Hop Lu and Cay Communes in Hai Hung Province, about 50 kilometers east of Hanoi. The potteries of these two communes were seen in the plain, in the midland, and also in coastal regions in northern Vietnam. Old potteries from Hop Lu also appeared in Truong Sa. This proved that in the 15th and 16th centuries, Vietnamese fishermen and traders were using the Truong Sa Archipelago as a terminal to anchor their ships and as a stopover place on their way to the high seas for fishing and for dealing with foreign partners.

On Nam Yet Island, Vietnamese archeologists also excavated 165 old pottery pieces at a depth from 44 to 52 centimeters and also [words indistinct] with heaps of shelves. These artifacts prove that Nam Yet Island was a

dwelling place of people in the late Tran dynasty and early Le dynasty from the 15th to the 16th centuries.

Also on Truong Sa Island, the archeologists found old coins of the Minh Mang, Thieu Tri, and Tu Duc reigns of the Nguyen dynasty in the 19th century. Scientific research is being carried out by archeologists on the Truong Sa Archipelago.

The latest discoveries help the study on the social and material life of a part of Vietnamese people's history in the offshore region. They also serve as concrete evidence of Vietnam's sovereignty over the Truong Sa Archipelago through different periods of history. It is an undeniable fact.

National Center Survey on Spratlys Reported

BK3005072594 Hanoi VNA in English 0553 GMT 30 May 94

[Text] Hanoi VNA May 30—The Vietnam National Centre for Natural Sciences and Technology has held a press conference here on the results of its general survey of the Truong Sa (Spratly) archipelago made from April 16 - May 19.

The survey, the third of its kind over the past two years by the centre, aimed to study the natural resources, and environment of the archipelago for the service of economic development, environmental protection and national defence.

Data recorded during these surveys have contributed to the invention of measures to protect various projects, expand suitable (?verdure), treat the waste, eliminate harmful insects and protect ecological conditions on the archipelago.

Tran Duc Luong Activities in U.S. Reported

Addresses Seminars

BK3005100694 Hanoi VNA in English 0601 GMT 30 May 94

[Text] Hanoi VNA May 30—Deputy Prime Minister Tran Duc Luong and his party on May 22-27 visited New York and San Francisco cities during a trip to the United States.

At the seminars on investment and business in Vietnam held in the two cities by (Down Jone) company and Wall Street Journal, the Vietnamese delegates exchanged views with representatives of American companies on concrete cooperation possibilities in various economic fields.

Addressing the seminars, Deputy Prime Minister Tran Duc Luong reaffirmed Vietnam's renovation policy, and brought out its socio-economic achievements over the past years, prospects of economic development, and cooperation possibilities with foreign partners in the fields of investment and business.

Mr. Luong also called on the Council of Foreign Relations. Speaking on this occasion, he stressed on Vietnam's policy of diversification and multilateralization of its relations,

affirmed Vietnam's respect for relations with the United States on the principles of non-interference in each other internal affairs, cooperation, equality and mutual benefit.

The Vietnamese delegation was given a banquet in San Francisco by the deputy governor of California and the mayor of San Francisco. Addressing the banquet, Mr. Luong highlighted the cooperation potential between Vietnam and California. He also expressed best regards and wishes to the Vietnamese residents in the United States and affirmed the Vietnamese Government's policy of solidarity and national concord.

Speaks on Cooperation.

BK3105121394 Hanoi VNA in English 0624 GMT 31 May 94

[Text] Hanoi VNA May 31—'Vietnam and the United States should build their normal relations and cooperation in a constructive spirit' said Deputy Prime Minister Tran Duc Luong in an interview to the army paper 'QUAN DOI NHAN DAN' at the end of his ten-day visit to the U.S.

On the US businessmen's assessment of investment and business opportunities in Vietnam, Mr Luong noted that the US business circle recognized Vietnam as a big market with more than 72 million customers in a favourable area in a region of fast, dynamically developing economics. Many American companies, he added, are now urging the US Government to fully normalize its relations with Vietnam and soon give the country the 'most favourable national' status so that they can have favourable conditions to do business in this prospective and potential market.

Asked about the fields of potential cooperation between the two countries, the deputy prime minister said that American companies were interested in all fields that Vietnam was calling for foreign investment. The two sides, he said, have the same interest in such important fields as oil and gas, post and telecommunications, electronics, informations, and so on. Apart from investment in industry, Mr. Luong went on, financial and banking activists of high prestige in the United States would soon come to Vietnam.

On the prospects of the relations between the two countries, Deputy Prime Minister Luong said strategically the two countries have realized the need to build normal relations leading to cooperative and friendly relations in a constructive spirit. This is a persistent principled standpoint, he stressed.

Radio on Establishment of SRV, U.S. Offices

BK2705113194 Hanoi Voice of Vietnam in English 1000 GMT 27 May 94

[Text] As reported earlier, the Vietnamese Foreign Ministry, on 26 May, issued an announcement on the establishment of liaison offices of the Socialist Republic of Vietnam and the United States in their respective capitals. The Voice of Vietnam has this to say:

The establishment of the liaison offices in the respective capitals of Vietnam and the U.S. marks an important step in the normalization of relations between the two countries. It provides both governments with favorable conditions to solve issues of common concern.

The Vietnamese ambassador to the UN, Mr. Le Bang said: Relations between Vietnam and the U.S. has been developing. So the offices must meet these developments and they will not only be concerned with the MIA issue but also with business, tourism, culture, and social activities. Mr. Nguyen Xuan Phong, head of the American Department of the Vietnamese Foreign Ministry said: In general, Vietnam and America relations have been developing positively.

In an interview with the BBC, Mr. Winston Lord, assistant to the U.S. Secretary of State said: Vietnam has been very active to solve the MIA issue. This promises good relations between Vietnam and the United States.

Participants to the Forum on International Economic Development held in Washington, including the Vietnamese delegation led by Deputy Prime Minister Tran Duc Luong, held that it is time to start trading with Vietnam. Vietnam, U.S. trade relation will benefit both sides.

The FAR EASTERN ECONOMIC REVIEW reported that according to sources from Washington, the U.S. state secretary will recommend to President Bill Clinton that Mr. (Ho), in charge of the Indochinese Division of the State Department should be appointed head of the U.S. liaison office in Vietnam.

Government Sets Rules To Open Offices

BK3105120594 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 29 May 94

[Text] The government has recently issued regulations on the setting up of representative offices overseas for Vietnamese businesses. According to the regulations, all Vietnamese business establishments which are legally registered and are capable of operating representative offices will be licensed.

Overseas representative offices should be put under the administrative authority of the state representative organ in the country concerned. The minister of trade has the authority to renew, withdraw, and cancel licenses for overseas representative offices. The minister of trade is also charged with the management and inspection of the overseas business representative offices.

The regulations on the overseas business representative offices also stipulate the necessary period of time for the Ministry of Trade to consider whether to approve or reject applications to set up representative offices. In cases where business establishments had representative offices open before these regulations, their owners should prepare new applications under the provisions of the new regulations.

Foreign Minister Attends Conference.

BK3005094594 Hanoi VNA in English 0608 GMT 30 May 94

[Text] Hanoi VNA May 30—A Vietnamese delegation led by Foreign Minister Nguyen Manh Cam is attending the 11th conference of the foreign ministers of the non-aligned countries to be held in Cairo (Egypt) from May 31 to June 3.

The conference will review the implementation of the decision of the 10th non-aligned summit conference held in Jakarta (Indonesia) on September 1992, and discuss orientation of the Non-aligned Movement's activities in the coming period, in preparation for the 11th non-aligned summit to be held in 1995.

Foreign Minister Meets India's Bhatia

BK3005094694 Hanoi VNA in English 0608 GMT 30 May 94

[Text] Hanoi VNA May 30—Foreign Minister Nguyen Manh Cam who is on the way to attend the 11th conference of foreign ministers of non-aligned countries visited India on May 28.

While in India, Foreign Minister Nguyen Manh Cam held talks with Minister of State for External Affairs R.L. Bhatia. The two ministers informed each other of the situation and achievements recorded by the two people early this year and discussed measures aimed at consolidating the traditional friendship between the two countries and actively implementing agreements signed at the 6th session of the Vietnam-India joint committee in April, 1994 in Hanoi.

Foreign Minister Nguyen Manh Cam and his Indian counterpart expressed their wishes for further strengthening of the relations of economy, trade and science and technology in conformity with the potential of each country and aspiration of the two peoples.

During the talks, the two ministers also exchanged views on international and regional issues of common concern and affirmed the necessity to further strengthen the important role of the non-aligned movement in the recent situation.

The same day, Foreign Minister Nguyen Manh Cam was received by acting President K.R. Narayanan. At the reception acting President Narayanan highly valued the achievements recorded by the Vietnamese people in every field and affirmed that the renovation in Vietnam and the economic reform in India have created more favourable conditions to further promote the friendship and multi-faceted cooperation in the interests of the two peoples, for peace, stability in the region as well as in the world.

Acting President K.R. Narayanan asked Foreign Minister Nguyen Manh Cam to convey his regards to the Vietnamese leaders and people.

Mission Condemns Killing of Vietnamese

BK2705161394 Hanoi VNA in English 1356 GMT 27 May 94

[Text] Hanoi VNA May 27—The Vietnamese Embassy in Cambodia yesterday sent a note to the Ministry of Foreign Affairs and International Cooperation and the Ministry of the Interior of Cambodia strongly condemning the Khmer Rouge [KR] for their recent killing of Vietnamese residents in Cambodia.

The note says that at 07.00 hours on May 15, 1994 in Pralai Miet, Commune, Kompong Leng District, Kompong Chhnang Province, an armed Khmer Rouge group stopped the fishing boat of Mr. Le Van Tuong, 80, and his son, Mr Le Van Thanh, 20, who had lived in

Cambodia for a long time. The Khmer Rouge men hit the two Vietnamese residents on their heads, shot them to death, and took the victims' boat away.

On May 21st, in the same area, the Khmer Rouge also took four Vietnamese residents away, the note adds.

'The Vietnamese embassy strongly condemns the above mentioned criminal acts of the Khmer Rouge and demands that they put an immediate end to the acts of terrorism and massacre of Vietnamese residents in Cambodia, and urgently requests relevant agencies of Cambodia's royal government to conduct investigation into the cases and take appropriate measures to prevent those acts from reoccurrence', the note says in conclusion.

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